Regina

CITY OF REGINA

2006 BUDGET

General Operating Budget Summary

- As Approved by City Council -

106-06980/

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CITY OF REGINA

Office of the City Manager
May 8, 2006

To: His Worship the Mayor,
and Members of City Council

Re: 2006 General Operating Budget and Other Funds Budget

Pursuant to Sections 128 of *The Cities Act*, City Council is required to adopt an operating and capital budget. The budgets summarized in this document are the 2006 General Operating Budget and the 2006 Costing Fund Budget as approved by City Council at its meeting on April 13, 2006. **In adopting the General Operating Budget for 2006, City Council approved no changes in the municipal mill rate.** The 2006 General Operating Budget totals $211.6 million, an increase of $9.7 million or 4.8% over 2005 – 4.6% for general civic operations and 5.6% for the Board of Police Commissioners.

There is a fundamental problem with the financial framework for cities. This will continue unless there is a broadening of the tax base for cities, and the inclusion of additional revenue sources that are more closely linked to the growth in the economy. Municipalities, Regina included, are facing problems of increasing and changing service expectations, increasing costs and ageing infrastructure. Roads, buildings and other infrastructure built during the period of rapid growth are in need of repair or replacement. Continued urban growth and changes in demographics add to the financial dilemma.

The 2006 General Operating Budget reflects increasing recognition of the issue by the Provincial and Federal Governments. **The Provincial Government increased operating and capital grants, and the Federal Government has indicated an ongoing commitment through the five-year Gas Tax Grant as well as two year funding for Transit.** It is essential that sufficient and sustained funding be made available to municipalities.

The budget process requires choices by City Council with respect to service levels and the taxes, fees and charges to pay for those services. The diversity of interests in the community exacerbates the difficulty of finding that balance. There is no formula or model to guide such decisions as stated in the following quote from a Federation of Canadian Municipalities document:

> **Municipal financing and the allocation of resources in a community are the products of the decisions of elected officials working in a democratic process where judgements are made about priorities. No magic formula can substitute for either democratic process or political judgement.**

The 2006 budget for the civic portion of the general operating budget, including capital funding, is $163.7 million, an increase of almost $7.2 million or 4.6% over the 2005 budget. There are **no changes in services or service delivery** in the 2006 General Operating Budget.

The 2006 budget for the Board of Police Commissioners is $47,858,600, an increase of about $2.5 million or 5.6% over the 2005 budget. The increase in expenditures is partially offset by increased revenues of $617,900. The capital contribution required for the Board of Police Commissioners for 2005 is $1,504,000, a decrease of $312,000 over the amount provided in 2005.

There is an increase of almost $3.5 million in the 2006 budget for the Provincial Revenue Sharing Grant. The Province has announced an increase in the revenue sharing grant pool for

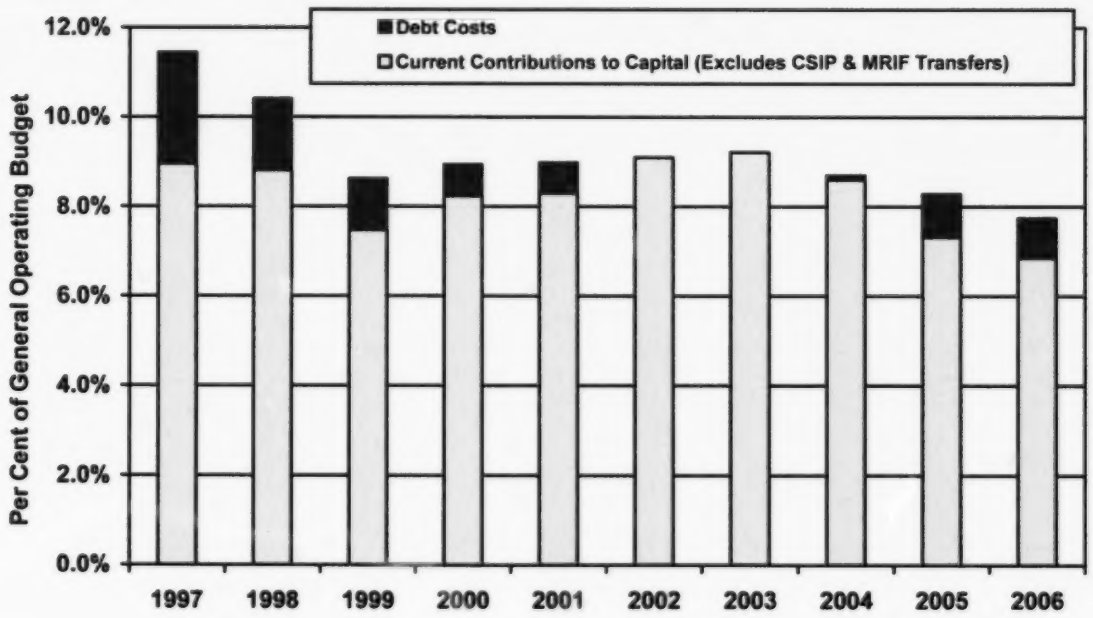
Saskatchewan municipalities in 2006 of $12.2 million, as well as a $12.2 million payment on a one-time basis for 2006.

Budget decisions in 2006 have implications for the level of reserves. In balancing the 2006 budget, a withdrawal of $1,700,500 from the General Fund Reserve has been included as directed by Executive Committee at the meeting of February 25, 2006. This withdrawal is in addition to a withdrawal of $572,000 in the proposed budget to fund specific items in 2006. This was proposed in light of the 2005 surplus and the higher General Fund Reserve balance at the end of 2005 than had been projected in the 2005 budget.

In 2005, the expenditures for winter road maintenance were $3,816,100 compared to the budget of $2,740,600, a difference of $1,075,500. The over expenditure was funded through a withdrawal from the Winter Road Maintenance Reserve. At the end of 2005, the reserve was about $1.5 million. The 2006 budget for winter road maintenance is $3,000,000, less than the actual expenditures for 2005 and less than the required annual funding based on an average of the costs over the last ten years. Winter road maintenance expenditures from January 1 to March 6, 2006 were about $871,000 or about 30% of the total budget for the year. It is unlikely that the budget will be overspent in 2006, but there will not likely be significant growth in the reserve balance to provide funding should the next winter be severe.

There is a small decrease in capital funding from the General Operating Budget in 2006 because of a decrease in the capital requirement for the Board of Police Commissioners for 2006. The lack of an increase for civic capital funding is a concern. The City is still faced with substantial infrastructure deficit of $30 to $35 million per year. The following graph shows the decline in capital funding, as a per cent of the total operating budget, over the last several years.

Capital Funding From Current Operations – 1997 to 2006
(Per Cent of General Operating Budget)



While there is virtually universal recognition of the need to increase capital spending, the challenge continues to be finding sources of funding that are predictable and sustainable.

In early 2006, the Provincial Government announced $6.1 million in capital funding for Regina under the Community Share 2006 Program, a very significant contribution to Regina's infrastructure requirements. The funding is provided for 2006 only. It is essential that the Provincial Government implement new capital funding programs to assist municipalities on an ongoing basis.

During 2005 the Federal Government implemented a program to share a portion of the Federal Gas Tax revenues with municipalities. In 2006, it is expected that Regina will receive $3.3 million in Federal gas tax grants, with the amount increasing to about $11.1 million by 2009. The Federal Government has also announced capital funding for Transit. The details have not been finalized. The 2006 – 2010 General Capital Program assumes that the City will receive $4.8 million per year for 2006 and 2007.

While the additional funding received from the Federal and Provincial Governments is significant, the City must consider whether it is providing sufficient funding for capital requirements. The 2006 – 2010 General Capital Program is based on an increase in the City's current contributions to capital of $1.5 million per year starting in 2007. In order to balance the budget, current contributions to capital from the General Operating Budget decreased in 2004 and 2005 and were not increased in 2006. The budget gaps experienced in the past few years will exist again in 2007. It is critical that City Council include the increased capital funding in the 2007 and future budgets if progress is going to be made in addressing the existing and growing infrastructure requirements of the City.

Significant risks with respect to the 2006 budget include:

- There is an increased risk of an operating deficit for 2006. **The risk is higher than in prior years due to the expenditure reductions required to reduce the budget gap.** Over the last 30 years, Regina has had three operating deficits. However, two of those three deficits have occurred in the last five years, including the deficit for 2004.

- **Many of the City's revenues and expenditures are subject to change due to external influences.** Many factors impact revenues and/or expenditures including the weather, the cost of fuel, interest rates, gas rates and electrical rates. There could be positive or negative variances in 2006 due to these factors.

- **The 2006 budget is based upon a potential reduction in taxes due to assessment appeals of $600,000 which is less than the potential projected risk. Executive Committee provided direction to reduce this contingency allowance by $1.1 million to the amount of $600,000 at its meeting of February 25, 2006.** There is risk that the $600,000 will not be sufficient. The actual reduction, including potential appeals outstanding at the end of the year could be higher.

The 2006 General Operating Budget adopted by City Council includes no change in the municipal mill rate, while maintaining the services provided by the City. The additional funding provided by the Provincial and Federal Governments was a significant factor in maintaining the mill rate for 2006. Over the longer term, the City will continue to be faced with fiscal pressure unless there is a fundamental change in the revenue framework for cities. Fiscal pressure will continue each year unless cities have access to revenues that are more directly linked to growth along with a broader range of revenue sources.

Respectfully submitted,

A.R. Linner
City Manager

Introduction

City Council's Vision

Prior to the 2002 budget, City Council engaged in a strategic planning process and developed a statement of a long-range vision for Regina. The vision was reconfirmed in 2004 through an Executive Committee planning session.

The vision statement is that by 2010 Regina will be:

"A city of 250,000 citizens, within a region of 300,000;
A city where people grow together;
A city recognized for its economic, social and environmental sustainability;
A city that is the hub of a region of diversified economic growth;
A city that is people centered;
A city of inclusiveness, that celebrates its cultural diversity;
A city where Aboriginal people participate fully in economic and community affairs;
A city that people are drawn to because of its quality of life;
A city that is attractive, generous, affordable, accessible, compact and competitive;
A city where seniors can retire in security and young people can thrive in opportunity;
A city that is plainly 'a good place to live'.
At the centre of the vision is the word 'prosperity'."

Budget Overview

Translating the vision into reality is a process of making decisions and taking actions over the course of time. One of the most significant decisions for City Council arises on an annual basis through the budget process. Budget decisions reflect the allocation of resources in a community toward priorities.

The budget process involves difficult choices. The dilemma is to find an acceptable balance between the level of services provided (expenditures), and the ability of the community to pay for those services, through taxes or other fees (revenues). The fundamental equation that guides the City's financial planning is:

Revenues = Expenditures

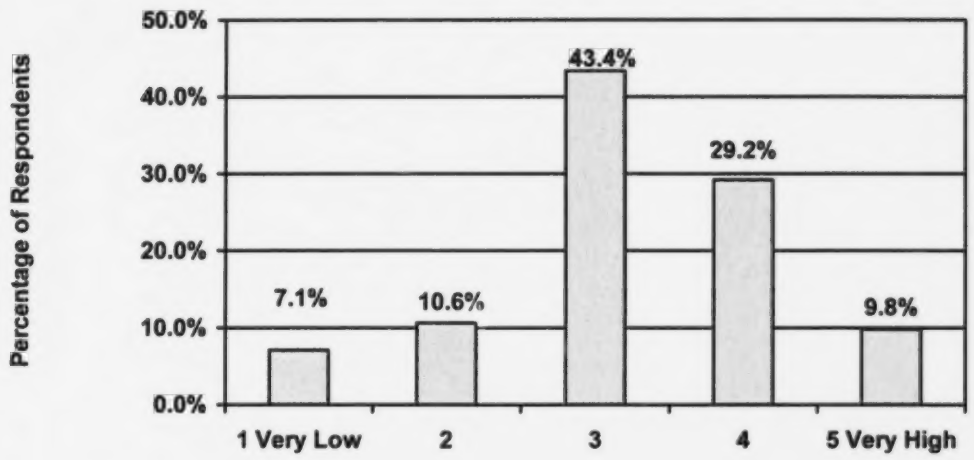
The equation is relatively simple. To the extent that the City incurs expenditures for programs or services (whether by choice or as required by legislation), the City must generate revenue sufficient to pay for those programs or services.

Budget choices and the resulting decisions have consequences. Consequences can be short-term, long-term or both, and can impact the operating budget, capital budget or both. **It is important for Council and the community to understand and accept the consequences of the budget choices made by City Council.**

A key aspect of the budget process is that City Council is making choices on behalf of the community. Each year, the City of Regina conducts a public survey to gather input from the community. Public surveys should not be used as a definitive guide to the allocation of resources. However, survey results do serve as a measure of the community's expectations.

The 2005 survey indicated that Regina residents generally consider they are getting good value for their tax dollar.

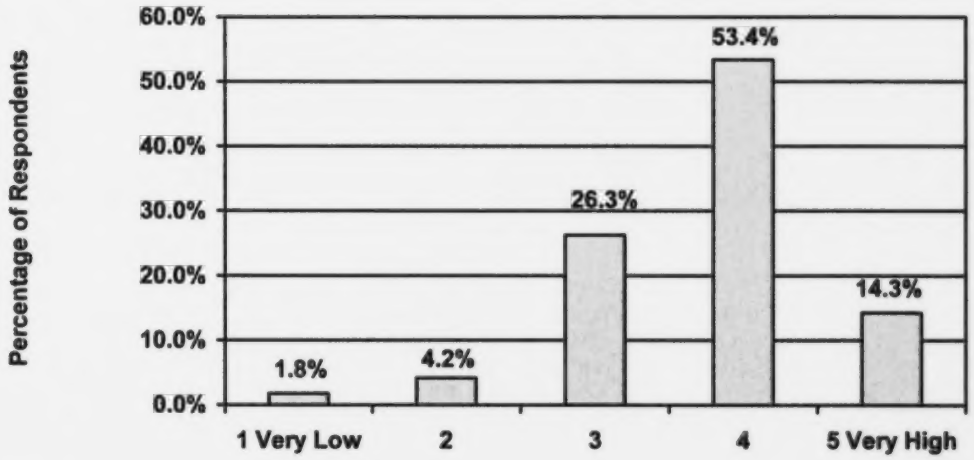
Would you say the value of service you receive for your City tax dollar is high or low?



More than twice as many respondents are on the positive side of the scale compared to the negative side of the scale.

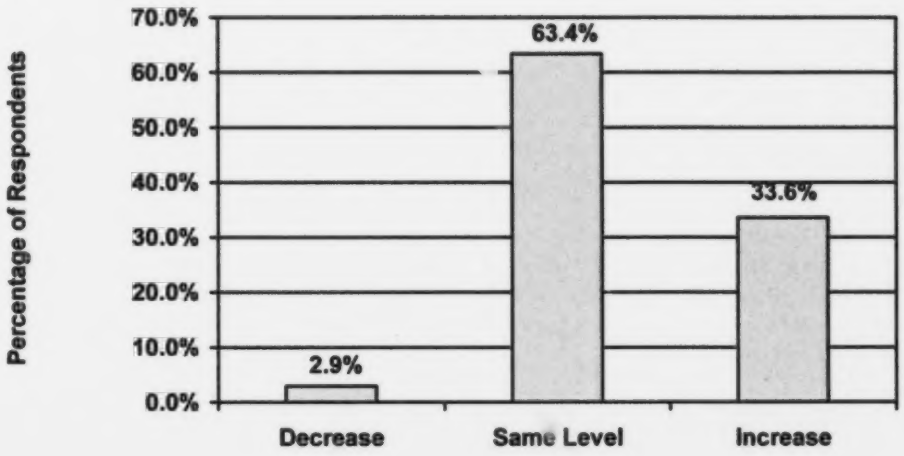
Regina residents rated the quality of life in their city highly with only 6% on the negative side of the scale. 67.7% of respondents rated the quality of life in Regina as high or very high.

How would you rate the overall quality of life in Regina?



The 2005 survey also indicated that generally, Regina residents appear content with the level of services provided to them, with nearly two-thirds suggesting the status quo for service level. However, about one-third would support increased services. Only 2.9% would favour a decrease in services.

Do you think the City should increase services, decrease services, or keep them at the same level?



Like other western Canadian cities, Regina faces an imbalance in revenues and expenditures. Structurally, there is minimal growth in revenues. Expenditures, however, continue to grow, generally at a rate higher than inflation as a result of several factors.

Core Services Review

In 2004, City Council undertook an independent review of operations of the City and the Regina Police Services, facilitated by TkMC Management Consultants. The report, which was provided to City Council on January 24, 2005, included several recommendations, one of which was the development of a Regina Strategic Plan. Specifically,

> *"Council, the Board of Police Commissioners and the respective Senior Management groups must create a shared commitment to the change process. Council's role is to define the strategic plan for the City and develop the policy framework for the evaluation and decision making related to strategic direction. The development of the plan and policy is supported and implemented by the Senior Management. Fundamental to this process and new municipal organization is the creation of an environment that results in a new Council/Management relationship that results in long term change that is driven by the vision, mission, organizational values, specific strategic initiatives and strategic decision making."*

During 2005 and 2006, the Administration reviewed over 1,200 ideas listed in the Core Services Review and is integrating improvements into daily operations and existing projects and improvement initiatives.

In February of 2006, City Council and the Senior Management Team identified six themes that will drive the organization's strategic choices. The six themes underpin the choices, opportunities and strategic issues outlined in the Core Services Review. The six themes are:

- Mandate - The City of Regina strategically determines which services the City provides, the level of service, service goals and objectives for its programs.
- Asset Management - The City of Regina strategically and effectively manages assets within program areas to provide for economic, social and environmental sustainability.
- Service Delivery Methodologies - The City of Regina makes service delivery decisions that ensure the most effective and efficient service exists.
- Revenue Generation - The City of Regina is committed to Corporate Revenue Strategy development and makes revenue generation decisions based on clear guiding principles.
- Customer Service - The City of Regina is committed to the delivery of municipal services that meet the needs and expectations of its customers.
- Contemporary Employer - The City of Regina recognizes that its people are its most key and valuable resource. Human Resources strategies work to achieve outcomes that best serve the organization and the community.

The Core Services Review introduced the concept of the Core Continuum, a tool which can help determine service mandates and define where specific services fit in the core responsibilities for the organization.

Core Continuum

Core
(Essential)
Legislated Activities: as required by Municipal and Planning Acts, Police Act and other binding legislation
Public Safety and Security: services to protect citizens, visitors and property
Urban Infrastructure: services to plan, build and maintain roads, bridges, other transportation infrastructure and buildings and facilitate the movement of goods and people
Stewardship of Assets and Environment: land use planning and other services that promote economic vitality and protect assets of the community
Crime Prevention: those services and activities that are intended to prevent criminal activity/behaviour (beyond legislated)
Special Services for the Disadvantaged: providing assistance to disadvantaged citizens
Leisure Opportunities: services, programs, parks and facilities that provide leisure opportunities for a broad user base
Cultural Support Activities: services, programs and facilities that provide opportunities for community opportunities to participate and attend cultural events
Less-Core
(Discretionary)
Augmented Services/User Pay Services: services provided over and above those that are core and where individuals or groups are prepared to pay additional fees.
Non-Core
Beyond the scope of normal municipal purview and without justification.

During 2006, the Shaping Regina Initiative is providing a community visioning process that will allow Council to update its City vision. These tools provide a framework for making decisions and choices in a more reasoned and directed manner.

The consultant's final report identified savings and revenues that may be realized by the implementation of the strategic initiatives, ideas and suggestions identified in the review:

- The City's ability to table a budget with no changes to service levels and a 0% mill rate increase during a period of rising expenses can in part be attributed to good management practices, some of which were recommended in the Core Services review.
- Many of the savings and the revenue opportunities can only be achieved by changes to service levels.
- For numerous opportunities, the dollar savings are a savings of time and effort and for some, there are no real savings in funds.
- The report considered a number of services that the City could consider "discretionary" and would realize savings by eliminating or adjusting the service delivered. Many have previously been considered and rejected.
- To accomplish the revenue generation outlined in the review, significant increases to fees and charges would be necessary. In some cases authority for new fees does not exist.

The Core Services Review has:

- Assisted Management and City Council with the development of the 2006 budget
- Identified improvement opportunities that are being considered and implemented along with other initiatives throughout the organization
- Provided more focus to the decision making process that helps City Council and the Administration pursue A Vision for Regina

At this time, City Council is committed to continuing the current level of service provided by the City of Regina and to the elements in the City Vision that make Regina "a good place to live".
Service choices such as those identified in the Core Service Review are difficult but continue to be examined and evaluated as part of daily operations and the annual budget process for the City of Regina.

Expenditure Challenges

Each year, City Council must consider the level of expenditures to fund programs and services, including the capital requirements related to those programs and services. Expenditure challenges include:

- **Overall the community supports the level of City services (63.4% in 2005) and has a high rating for the services provided. Irrespective of these ratings, there are two realities the City faces:**

  - On those occasions when the City considers the elimination or a reduction in an existing service level, there is typically a segment of the community opposed to the change.

  - Some in the community are of the view that expenditures can be reduced. However, most individuals or groups are not willing to reduce expenditures on the services they use. All those in the community do not use every service provided by the City, but all services are used by a segment of the community.

- **Increases in salary and benefit costs.** The collective agreements for all civic unions (CUPE Local 7, CUPE Local 21, Amalgamated Transit Union Local 588, Civic Middle Management, and the International Association of Fire Fighters Local 181) which had expired at the end of 2003 were renewed during 2005. The contract for the International Association of Fire Fighters was resolved through binding arbitration which resulted in increases higher than the amounts that had been budgeted in 2004 and 2005. The contracts with CUPE Local 7, CUPE Local 21, and Amalgamated Transit Union Local 588 were resolved through negotiation after a 26 day strike, with increases higher than those budgeted in 2004 and 2005. These increases, along with increases for Civic Middle Management, Out of Scope employees and Police, place additional pressure on the operating budget.

- The City is faced with increased costs and service expectations as a result of **growth in the community**. While it is generally perceived that any increase in expense resulting from the physical growth of the city would be covered by additional tax revenues, that is not the case. There are required increases in the budgeted operating expenditures for areas such as waste collection and additional open space. But the most significant impact on the budget from growth is in the area of capital requirements for road network improvements.

- **Increases in the price of fuel (30%), electricity (6%) and construction and engineering services** (15% or more in specialized areas) have exceeded the general inflation rate.

- There are also cost pressures as a result of **changing community interests, regulatory requirements, standards and expectations**.

- Many **local arts, cultural, sporting, community and charitable organizations are faced with fiscal pressures**. There has been an increase in the number of organizations seeking support through tax exemptions or capital or operating grants.

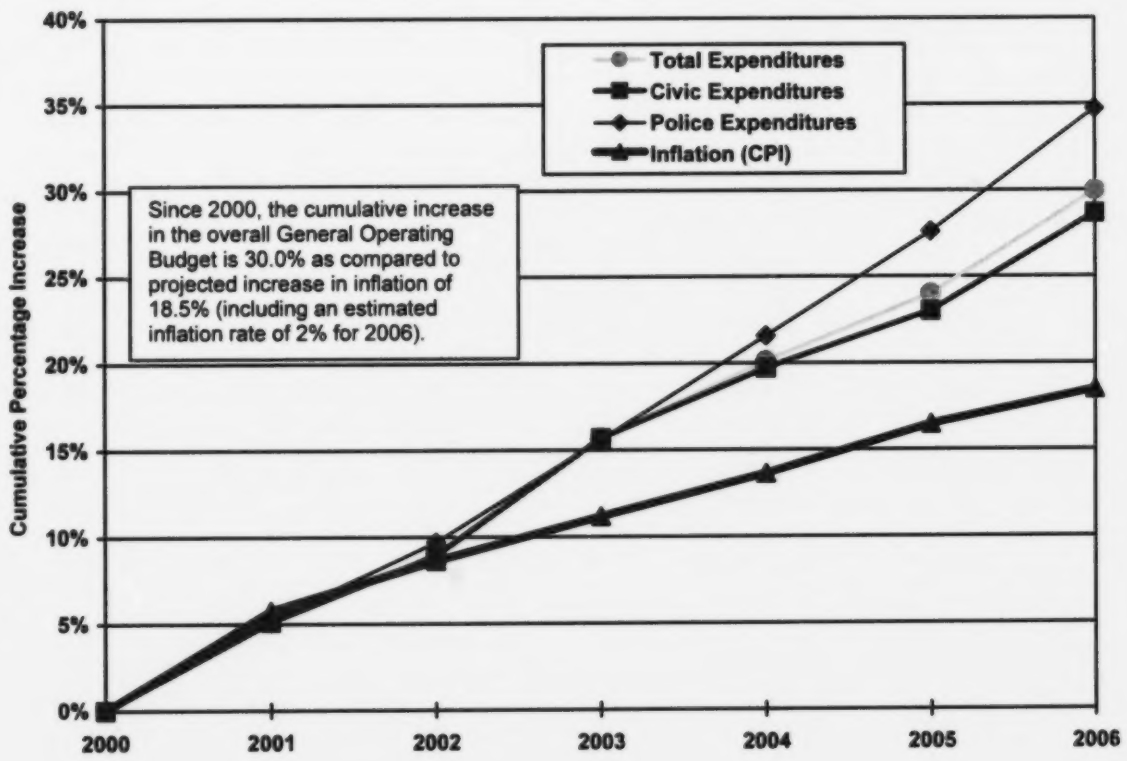
- **There continues to be a significant "infrastructure deficit".** For 2006, a total of approximately $9.8 million in capital funding is expected from the new Federal Government gas tax and transit programs, and the existing Federal/Provincial Municipal Rural Infrastructure Program. $6.1 million will be provided from the Provincial Government's recently announced Community Share 2006 Program. While these contributions represent significant progress in addressing funding for infrastructure, the City of Regina has a shortfall in capital funding in the range of $30 to $35 million each year. **The infrastructure deficit will increase as infrastructure and buildings continue to deteriorate with age and the overall infrastructure base increases as the city grows.** If infrastructure is not adequately maintained, there will be long-term implications on the City's ability to sustain service levels. In addition, maintenance or capital costs will increase.

- The City has **significant unfunded liabilities for vested sick leave, accumulated vacation credits, service pay and banked overtime**. At the end of 2005, the liabilities for these costs were estimated at $28 million ($27.3 million at the end of 2004). As a growing proportion of the City's workforce reaches retirement age, the cash flows required to pay off this liability will grow. **Payments for these items for 2005 totalled about $1.1 million; and departments are required to absorb these growing costs in their existing budgets.**

- The City has **significant unfunded liabilities for pension and benefit plans**. At the end of 2004, the City's share of the liability for the Police Pension Plan and Chief of Police Pension Plan was about $5.8 million ($6.0 million at the end of 2002). 2005 information is not yet available. The City is not required pursuant to accounting standards to account for a liability with respect to multiple employer pension and benefit plans such as the Civic Pension Plan and the Long Term Disability Plan. **The estimated liability for these plans at the end of 2004 was $15.6 million.** 2005 information is not yet available for these plans. The liability is shared between the employers and employees. The employers in the plans include the City of Regina, Regina Qu'Appelle Health Region, Regina Public Library, Buffalo Pound Water Administration Board and Regina School Division No. 4 of Saskatchewan (non-teaching staff). The plans require a relatively high employer contribution rate; which adds pressure to the overall salary and benefit costs. There is also concern about future requirements to maintain the sustainability of the plans.

The next graph compares the increase in expenditures since 2000. The graph shows the increase in total civic expenditures, total police expenditures and the rate of inflation.

Growth in Operating Expenditures – 2000 to 2006



Since 2000, expenditures have increased at a rate greater than inflation. Overall the increase in Police operating costs is 34.7%, as compared to 28.7% for civic operating expenditures and 30.0% for the total operating budget. On average, expenditures have increased by about 5.0% per year.

Revenue Challenges

Property tax revenue accounts for about 55% of total operating revenues. In Regina, there is greater reliance on property tax as the major source of revenue as compared to other western cities including Saskatoon.

While property taxes account for the majority of the City's revenue, there is limited tax growth as a result of assessment growth. Assessment growth is typically in the range of one per cent per year. 2005 was a record year for building permits, and the resulting increase in revenues is approximately 2% over 2005 tax revenues. The growth from year to year can be negatively impacted by assessment appeal decisions.

There is **limited property tax growth unless City Council increases tax rates**. While Regina has limited mill rate increases in recent years, other cities have had more significant increases.

	2002	2003	2004	2005	2006	Totals
Calgary	3.00%	3.90%	5.00%	3.50%	4.40%	19.80%
Edmonton	2.40%	4.90%	5.30%	5.40%	6.25%	24.25%
Saskatoon	1.53%	2.70%	3.78%	3.40%	1.86%	13.27%
Regina	4.33%	1.10%	0.00%	4.00%	0.00%	9.43%

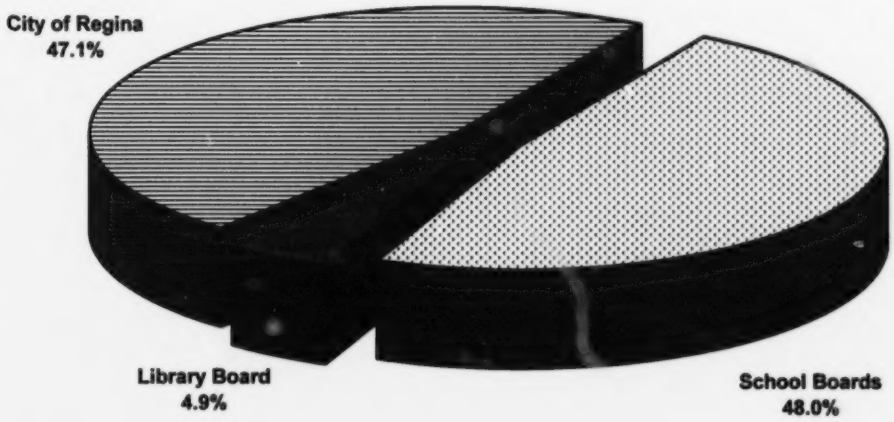
Note: City of Calgary and City of Edmonton have approved the noted mill rate increases for 2006. City of Saskatoon has not had any formal discussion of 2006 mill rate to date.

The question that both the community and City Council must consider is, **whether it is reasonable over the longer term to sustain programs and services with tax rate increases that are materially different from those in other communities**.

Historically, one challenge for the City is the lack of understanding regarding the portion of the property tax bill levied by the City of Regina. In the 2005 public survey, only about 10% of those responding recognized that half of the property tax revenue went to the school boards, another 45% did not know and 45% provided a wrong answer. **It appears that there has been some increase in the level of awareness of the City's portion of the tax bill.** In the 2006 survey, more than one-quarter of the respondents were able to estimate the City's portion of the tax bill within five per cent. However, there is still a significant portion of the respondents who did not know, or overestimated the City's portion of the bill.

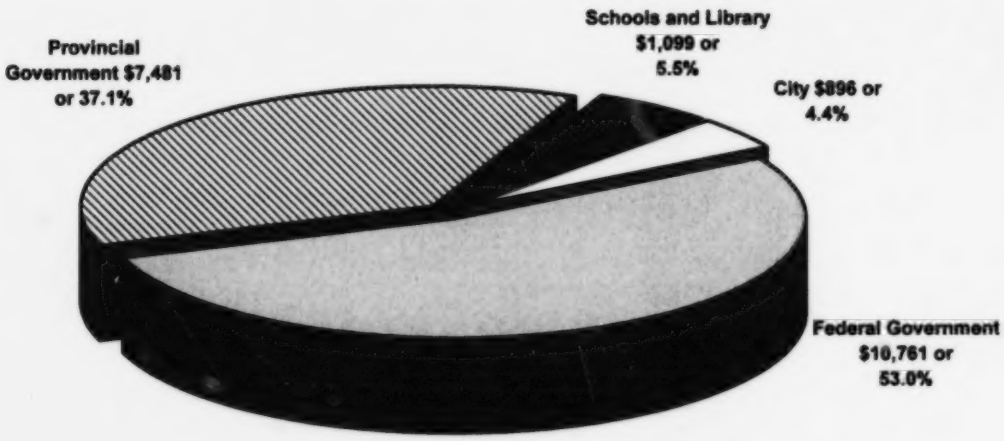
The next graph shows the distribution of property taxes in Regina for 2005.

Distribution of Property Taxes - 2005



There is also a general lack of understanding about the distribution of taxes collected by the various levels of government. Governments rely on taxes as their major source of revenue. The next two graphs provide background information on the distribution of taxes between the various levels of government. The following graph is from a report prepared for the City of Regina by SaskTrends Monitor. The distribution of taxes is for Regina residents (for a household), and does not reflect the taxes paid or generated by commercial activity.

Distribution of Taxes Paid by Regina Residents
(Taxes per household of $20,147 – 2000 Data)



The next graph is from another report prepared by SaskTrends Monitor for the City of Regina. The report estimated the ongoing taxes generated by a major retail development.

Distribution of Ongoing Taxes - Sample New Retail Development
(Total Taxes of $4,946,000)

City $248,000 or 5.0%
Schools and Library $291,000 or 5.9%
Provincial Government $2,935,000 or 59.3%
Federal Government $1,472,000 or 29.8%

The recent increases in funding provided by the Federal and Provincial Governments are positive steps toward recognition of the imbalance in the distribution of total taxes paid within the community.

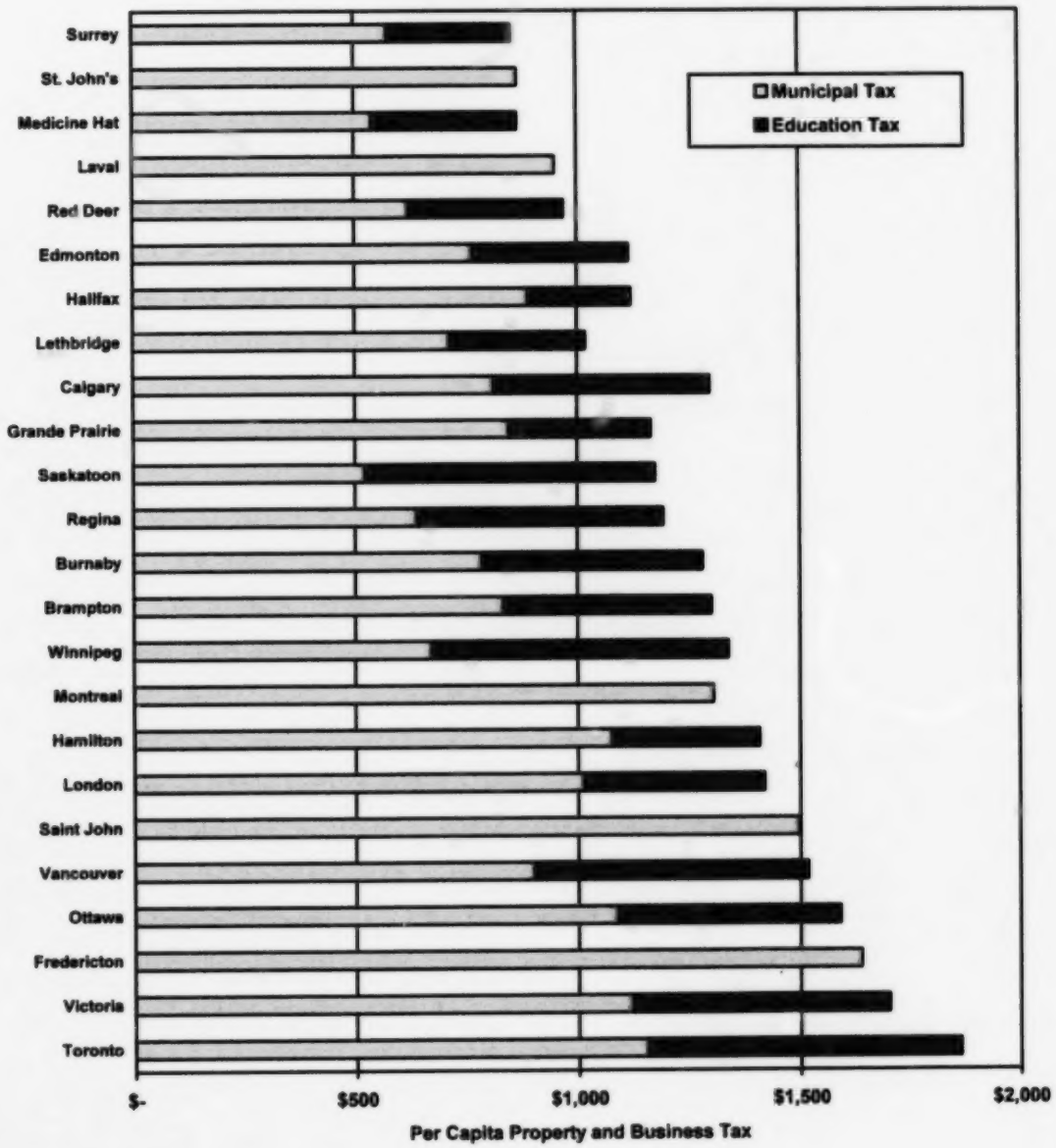
Another challenge for the City is with respect to perceptions about the level of property taxes in Regina as compared to other cities, as well as the relative share of education funding on the property tax base. Each year the City of Edmonton conducts a property tax survey. The survey compares the property taxes on a sample property, and also collects information on the total property and business taxes collected. Points to note with respect to the per capita tax information are:

- **For the total tax levy per capita, Regina is 15th out of 24 cities.** For this calculation, the total tax levy includes both property and business tax. Several of the cities (St. John's, Edmonton, Calgary and Winnipeg) levy a business tax.
- **For municipal and other property taxes (excluding school taxes) per capita, Regina ranked 9th out of 24 cities.**
- For education property taxes per capita, Regina ranked 21st out of 24 cities.

Regina's per capita taxes are lower than the average of the 24 cities for all per capita tax measurers other than education taxes per capita.

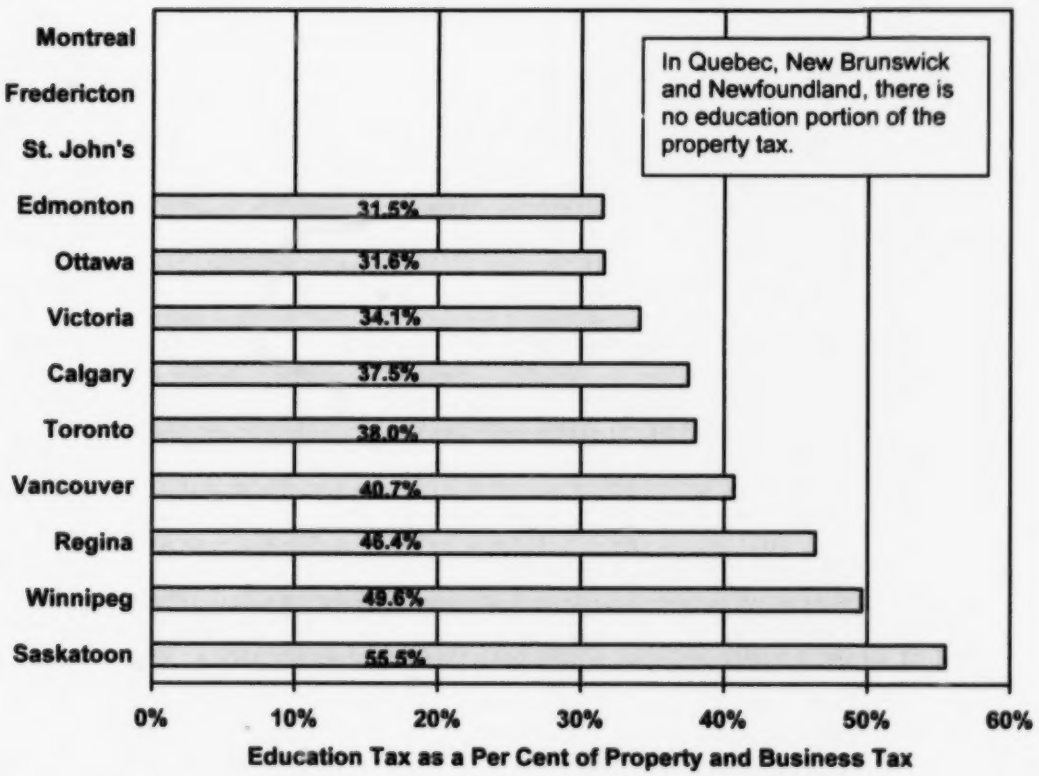
The next graph provides information on the per capita property and business taxes (municipal and education) for the cities that participated in the 2005 City of Edmonton Tax Survey.

Per Capita Property and Business Tax
(Data from 2005 City of Edmonton Tax Survey)



In Saskatchewan, the education share of property taxes is higher than other provinces, creating added pressure on property tax levels. The portion of local taxes (property tax and for some cities a business tax) used to fund education costs varies significantly from city to city. The following graph compares the percentage of the total property and business tax dedicated to education in various cities. The information is taken from the 2005 City of Edmonton Tax Survey.

Education Share of Property and Business Taxes – 2005



The Province has implemented an Education Property Tax Credit for 2005 and 2006. The tax credit will reduce the education taxes by 8%, subject to a limit of $2,500 on commercial/industrial and multiple family residential properties. In 2006, the Province announced an increase in the tax credit for agricultural land to 38%. There is minimal impact on Regina as municipal taxes on agricultural land in Regina total about $13,000 for 2006. However, this is a favourable development as it provides recognition of the issue as a provincial issue.

Overall, Regina, like other cities, struggles with a revenue base that is limited both in terms of its diversity and growth potential. Specifically:

- External revenues such as gas and electrical revenues account for about 15.2% of total revenues. The City has no control over these revenues as the Province also sets gas and electrical rates. These rates are the major determinant in the level of gas and electrical revenues received by the City. While recent rate increases have added to City revenues, the markets are extremely volatile, and rate increases increase the costs for residents and businesses in Regina.

- Operating grants from the Provincial and Federal Governments account for 7% of 2006 revenues. **The recent increase in revenue sharing has been a positive development;** however, the City has no control over the level or timing of these revenues.

- The remaining revenues (licenses, levies, fines, fees and charges, interest, tax penalties, and internal transfers) account for about 22.8% of total revenues. While the City has increased fees and charges in recent years, there are increasing concerns about the level of fees, and fee increases have not necessarily resulted in overall higher revenues.

2006 Budget Gap – Balancing the Budget

The budget gap is the difference between the projected revenues for the year and the projected expenditures. After an initial review of the budget submissions from Departments, and incorporating the budget request from the Board of Police Commissioners, **the initial budget gap for 2006 was about $10.7 million**. If there were no change in projected revenues or expenditures, a mill rate increase of about 10% would have been required.

The reasons for the gap included:

- **Expenditure increases of $13.8** million or about 6.8%. The projected increase in expenditures included:

  - An increase in the operating expenditure budget for the Police of about $2.6 million, partially offset by a $312,000 decrease in the required capital contribution and an increase in Police revenues of $617,900.

  - About $2.5 million net increase for requested specials and additions, including about $1.1 million in additional funding for the winter road maintenance program.

  - Increases for salary and benefit costs.

  - A proposed increase of $1.5 million in current contributions to capital, based upon the 2006 contribution reflected in the 2005 – 2009 general capital budget.

  - About $1.2 million in other cost increases, such as the increased cost for fuel. This change included a $475,000 reduction in electricity costs for street lighting due to a reduction in the rate charged by Sask Power.

- Increases in revenue from property taxes of about $1,447,000 and from electrical and gas distribution of about $1,705,000 were significantly higher than previous years. There were also minimal increases in other revenue sources including parking meter fees and court fines, bringing the increase to $3.1 million. **The increases in revenues were not sufficient to cover the increases in expenses.**

Given the magnitude of the initial budget gap, the Administration undertook to reduce the budget gap. The steps taken to reduce the gap included:

- **Revise the plan to increase the funding for winter road maintenance.** The initial request included a significant increase in funding for winter road maintenance to about $3.9 million. This request was revised to an increase in the level of funding to the ten year average, after adjusting for additional roads to maintain such as Victoria Avenue East from Park Street to the city limits, transferred to the City by the Province. The revised plan resulted in the increase being spread over two years. The reduction resulting from the revised plan was $469,000.

- **Revise the plan to increase current contributions to capital by $1.5 million**. Instead, the increases would start in 2007.

- **A reduction in the additions and specials requested by about $1.8 million**.

- **Review other revenues and expenditures**. The changes totalled a reduction in the gap of about $200,000.

During the budget development process, an increase in the provincial revenue sharing grant pool was announced. As well, a one-time addition to revenue sharing was announced for the 2005/2006 provincial fiscal year. The amount of revenue the City expects to receive, subject to finalizing of the provincial budget is approximately $3.5 million for the 2006 fiscal year.

As a result of the process implemented by the Administration and the additional provincial operating revenue, the 2006 budget gap was reduced to about $3.2 million. The Executive Committee, at a private meeting on February 25, 2006, provided direction to the City Manager with respect to the budget to be tabled with City Council. The remaining budget was addressed through the following steps:

- **Add $100,000 in community investment expenditure.** $66,640 to be allocated to the Regina Arts Commission and $33,360 to the Community Investment Review Board.

- **Reduce the proposed 2006 expenditure for Winter Road Maintenance by $451,100 to $3,000,000.** The reduction was considered in light of the unusually mild winter conditions in early 2006 and still provides for an increase of $259,400 over the 2005 budget.

- **Reduce the contingency for assessment appeals by $1.1 million.** The remaining allowance is approximately $600,000.

- **Withdraw an additional $1,700,500 from the General Fund Reserve.** This amount represents most of the 2005 operating surplus of $1,772,800 and reflects a General Fund Reserve balance that, at the end of 2005, was higher than projected by about $3.3 million primarily as a result of land sales and the 2005 operating surplus.

Budget Risks

It is important that budget choices are sustainable. From a fiscal perspective, the key consideration for City Council is the extent that the budgets are funding ongoing expenditures with ongoing revenues, and matching one-time or limited term expenditures with one-time revenues or funding sources. To the extent that budgets do not fully fund planned expenditures, or ongoing expenditures are being funded with one-time revenues, Council is shifting the budget burden to future years.

The fiscal pressure resulting from the budget gap for 2006 results from the gap between the typical growth in revenues and expenditures each year, along with the "carry forward" impact of budget decisions of prior years. These "carry forward" impacts on the 2006 budget include:

- **The 2004 and 2005 budgets did not include full funding for the contracts negotiated with civic bargaining units or for the contract resolved through binding arbitration with the fire union. As a result, the 2006 budget is impacted by the increase provided in 2004 and 2005, along with the increase for 2006.**

- **The use of a withdrawal in the amount of $1,596,000 from the General Fund Reserve to balance the 2005 budget could be viewed as creating a situation where a similar withdrawal was necessary for 2006. The 2005 withdrawal was not necessary due to other factors that are unlikely to be repeated in 2006.**

There are budget risks for 2006, including risks and challenges resulting from the steps taken to reduce the budget gap for 2006. These include:

- **There is an increased risk of an operating deficit for 2006.** The risk is higher than in prior years due to the expenditure reductions required to reduce the budget gap. Over the last 30 years, Regina has had three operating deficits. However, two of those three deficits have occurred in the last five years, including the deficit for 2004. Each year, the flexibility to address contingencies has been reduced.

- The funding plan for **winter road maintenance proposed** increases in the budget over a two-year period until the funding reaches the average cost for the last ten years, adjusted for increased responsibility such as for Victoria Avenue East. Based on this formula, the total budget for the year would be about $3.6 million. At this level, it could be expected that the reserve could be built up in years with favourable conditions to provide the ability to deal with years with high snow removal requirements. As directed by Executive Committee, the proposed expenditure has been reduced to $3 million for 2006, an increase of $259,000 over the 2005 budget. While there is a Winter Road Maintenance Reserve of about $1.5 million at the end of 2005, the reserve will not likely grow significantly even with 2006's favourable weather conditions to date; and could be depleted quickly next winter.

- **The 2005/2006 revenue sharing increase of about $1,750,000 is not included in the revenue sharing base on an ongoing basis. The funding may not be provided in 2007 or future years.**

- **Many of the City's revenues and expenditures are subject to change due to external influences.** Many factors impact revenues and/or expenditures including the weather, the cost of fuel, interest rates, gas rates and electrical rates. There could be positive or negative variances in 2006 due to these factors.

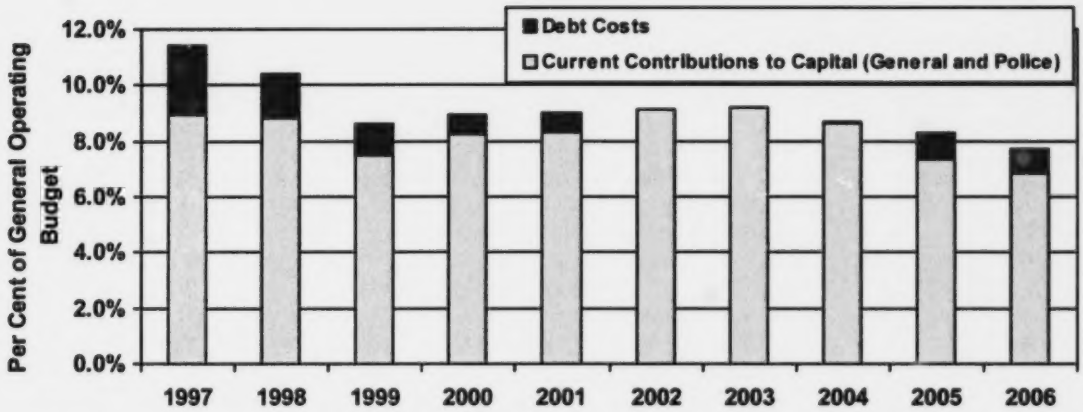
- **The 2006 budget is based upon a potential reduction in taxes due to assessment appeals of $600,000 which is less than the potential projected risk. Executive Committee provided direction to reduce this contingency allowance by $1.1 million to the amount of $600,000 at its meeting of February 25, 2006.** There is risk that the $600,000 will not be sufficient. The actual reduction, including potential appeals outstanding at the end of the year could be higher.

- **The lack of an increase in capital funding from the General Operating Budget in 2006 is a concern.** The portion of the General Operating Budget directed towards funding of capital (current contributions to capital and debt costs) has generally declined over the past ten years. **For 2006, capital funding is about 7.8% of the total operating budget as compared to 11.4% in 1997.** While capital funding from current operations has decreased as a percentage of the total budget, capital requirements have continued to escalate as infrastructure continues to age and the capital needs of the community increase as the community grows.

  The additional capital funding from the Federal and Provincial Governments have provided some relief from these pressures. However, only the federal gas tax grant has committed funding over the next four years; other programs are one-time or of limited duration, which may add to pressure in future years.

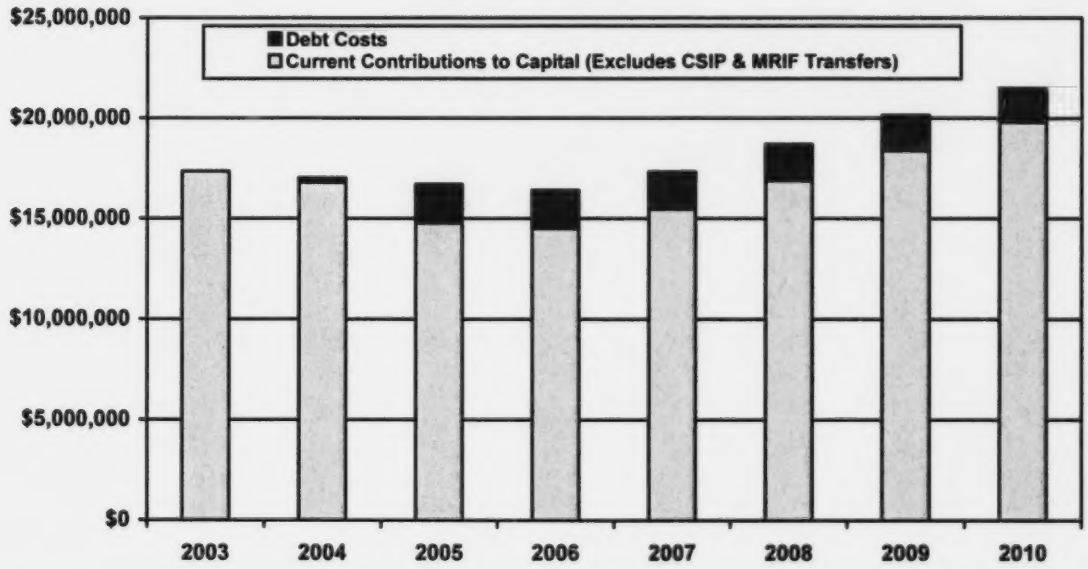
- The following graph shows the percentage of the General Operating Budget directed to capital funding since 1997. The graph shows the percentage of the General Operating Budget available to fund the capital program and the percentage of the budget for debt costs.

Capital Funding From Current Operations – 1997 to 2006
(Per Cent of General Operating Budget)



While the 2006 budget has a small reduction in contributions to capital ($299,000) because of a decrease in the capital requirements of the Board of Police Commissioners, the 2006 – 2010 General Capital Program is based in part on a plan to increase the City's current contribution to capital starting in 2007. The funding plan is shown in the following graph.

Capital Funding Plan



- The use of a withdrawal in the amount of $1,700,500 from the General Fund Reserve to balance the 2006 will put added pressure on the 2007 budget. In addition, **the City's reserve balances have decreased significantly over the last four years**. The next table is a summary of the City's reserve balances for the last three years. There was a substantial decrease in the overall reserve balances of about $21.4 million from 2002 to 2004, with a small decrease in the past year.

Reserve Balances ($000's)

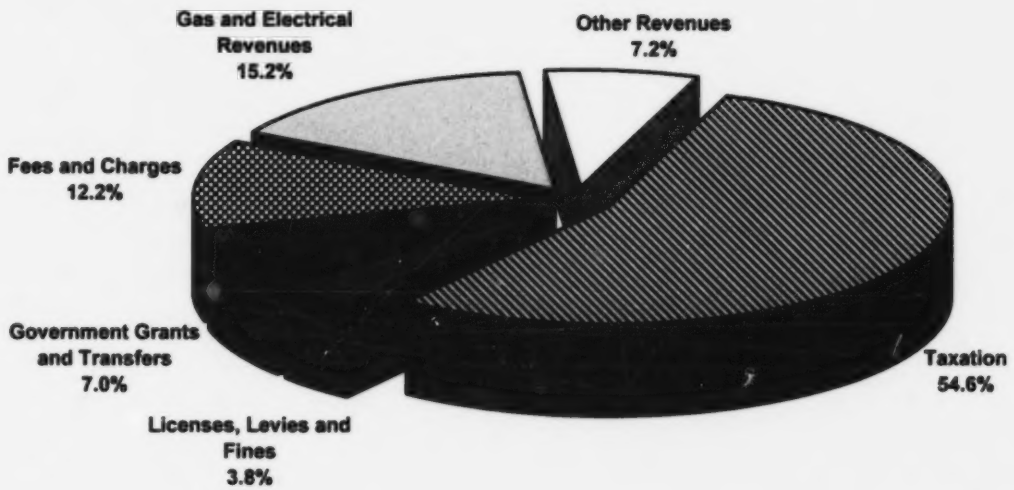
	2002	2003	2004	2005
General Reserves:				
General Fund Reserve	19,863	18,898	8,490	10,414
General Utility Reserve	5,693	6,175	6,981	5,118
Subtotal	25,556	25,073	15,471	15,532
Specific Purpose Reserves:				
Landfill Reserve	7,588	6,841	7,177	9,300
Equipment Replacement Reserve	9,477	4,989	2,409	1,353
Winter Road Maintenance Reserve	3,435	3,452	2,502	1,427
Social Development Reserve	1,292	1,292	1,075	948
Cultural Heritage Special Capital Reserve	1,039	557	-	-
Other Reserves	3,063	2,970	2,475	2,448
Subtotal	25,894	20,101	15,638	15,476
Reserve Totals	51,450	45,174	31,109	31,008

General Operating Revenues

Operating Revenue Summary ($000's)

Revenue Category	2005 Budget	2005 Actual	**2006 Budget**	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Taxation	112,837.9	112,557.1	**115,464.2**	2,626.3	2.3
Government Grants and Transfers	11,371.3	11,459.5	**14,813.1**	3,441.8	30.3
Licenses, Levies and Fines	8,068.2	8,291.9	**8,093.5**	25.3	0.3
Fees and Charges	24,781.9	25,066.2	**25,846.1**	1,064.2	4.3
Other Revenue	44,811.3	46,141.4	**47,367.0**	2,555.7	5.7
Total	201,870.6	203,516.1	**211,583.9**	9,713.3	4.8

2006 Operating Revenues


Gas and Electrical Revenues 15.2%
Other Revenues 7.2%
Fees and Charges 12.2%
Government Grants and Transfers 7.0%
Taxation 54.6%
Licenses, Levies and Fines 3.8%

Highlights with respect to the 2006 revenue budget are:

- **There is an increase in the Revenue Sharing Grant for 2006 resulting from a $12.2 million one time addition for this fiscal year and an ongoing $12.2 million increase to the revenue sharing funding pool for Municipalities in Saskatchewan.** Specific details and the basis for allocation are to be confirmed in the Provincial 2006/2007 budget.

  The estimated increase for Regina is about $1,750,000 on an ongoing basis plus about $1,750,000 for 2006 only.

- **Gas and electrical revenues are projected to increase by $1,705,000.** The projected increase is based on the actual revenues in 2005. No further rate changes are assumed in the projections. The natural gas market is extremely volatile so significant variances may occur.

- **The transfer from the General Fund Reserve is $2,272,600.** The 2006 transfer is to fund 2006 reassessment costs ($169,000), the implementation of a new maintenance management system ($252,000) and costs for the civic election ($151,100) and a general transfer of $1,700,500.

- **The utility surplus transfer for 2006 is $4,672,000, an increase of $168,100 over 2005.** The budget retains a transfer of $675,000 from the Water and Sewer Utility related to the additional GST rebate implemented by the Federal Government in 2005.

The following table is a detailed list of 2006 revenue sources for the General Operating Budget. The table outlines the amount of revenue, along with an analysis of the factors that determine the revenue generated from those sources. For some revenue sources City Council controls one or more of the factors that determine the revenue generated, although there may be some restrictions in legislation or regulations. For some revenue sources (gas revenues, electrical revenues, interest earnings and government grants), City Council has no control over the revenue generated.

General Operating Revenues					
Revenue Source	**Factors Determining the Amount of Revenue**	**Does the City Control?**	**2006 Budget**	**Per Cent of Total**	**Cumulative Percentage**
Property Taxes (including supplementary taxes)	Assessment Growth Mill Rates	No Yes	$ 106,397,000	50.7%	50.7%
Electrical Revenues	Formula for Transfers Electrical Rates Consumption	No No No	22,730,000	10.8%	61.5%
Government Grants and Transfers (includes Police & Lotteries)	Government Policy	No	18,520,200	8.8%	70.4%
Gas Revenues	Payment In Lieu Rate Natural Gas Rates Consumption	No No No	9,395,000	4.5%	74.9%
Grants-In-Lieu of Property Taxes	Assessment Growth Mill Rates Government Policy	No Yes No	7,467,200	3.6%	78.4%
Community and Leisure User Fees	Amount of Fee Amount of Use	Yes No	6,984,400	3.3%	81.7%
Transit and Paratransit User Fees	Amount of Fee Amount of Use	Yes No	5,500,600	2.6%	84.4%
Utility Surplus Transfer	Transfer Rate Calculation Base	Yes Yes	4,672,000	2.2%	84.0%
Waste Collection and Disposal Fees	Amount of Fee Amount of Use	Yes No	4,312,800	2.1%	86.4%
Interest Earnings	Interest Rates Cash Balances	No No	4,050,000	1.9%	88.3%
Fines	Fine Amount Number of Infractions Level of Enforcement	Yes No Yes	3,680,000	1.8%	90.1%
Recovery of Administrative Costs (Utility, Pension Plans & BPWAB)	City Council Policy	Yes	2,982,400	1.4%	91.5%

General Operating Revenues (Continued)					
Revenue Source	**Factors Determining the Amount of Revenue**	**Does the City Control?**	**2006 Budget**	**Per Cent of Total**	**Cumulative Percentage**
Paved and Gravel Alley Special Tax	Tax Levy Rates Alley Lengths	Yes No	2,761,800	1.3%	94.3%
Other Revenue or Fees	Amount of Fee Amount of Use	Yes No	2,093,100	1.0%	95.3%
Recovery From Other Taxing Authorities (net of cancellations)	Transfer Rate Calculation Base	No No	1,600,000	0.8%	96.0%
Transfers From Reserves	Council Policy Availability of Reserves	Yes No	2,272,600	1.1%	97.1%
Penalties on Taxes	Penalty Rates Outstanding Taxes	Yes No	1,265,000	0.6%	97.7%
Parking Meter and Permit Fees	Amount of Fee Number of Meters Amount of Use	Yes Yes No	1,274,000	0.6%	98.3%
Cemetery Fees	Amount of Fee Amount of Use	Yes No	864,300	0.4%	98.7%
Building Permit & Inspection Fees	Amount of Fee Number & Value of Permits	Yes No	943,800	0.4%	99.1%
Business and Taxi Licenses	License Fee Number of Licenses	Yes No	792,000	0.4%	99.5%
Amusement Tax	Tax Rate Ticket Prices Number of Tickets Sold	Yes No No	525,000	0.2%	99.8%
Local Improvement Levies	Schedule of Payments From Past Work	No	334,700	0.2%	99.9%
Planning and Development Fees	Amount of Fee Number of Applications	Yes No	166,000	0.1%	100.0%
2005 General Operating Revenue			211,583,900	100.0%	

Each budget process involves choices with respect to costs (services provided, service costs and the method of service delivery), and the revenues available to fund the costs. Revenue choices include:

1. **Seek additional funding from the senior governments, or seek authority for new sources of revenue.** There are limits to the authority of City Council with respect to revenue options. The taxation authority for the City is limited to that provided in *The Cities Act*. The City's authority for taxes is essentially property tax, amusement tax and special taxes.

   There has been considerable discussion about cities obtaining a share of the fuel tax or other vehicle related revenues such as a vehicle surcharge. The Federal Government will provide municipalities 1.5 cents per litre of the Federal fuel tax starting in 2005, increasing to 5 cents per litre in 2009. In Alberta, Calgary and Edmonton each receive 5 cents per litre for every litre of gasoline sold in the city. In Ontario, the Province provides 2 cents per litre in 2006.

   In Manitoba, the 2005 Provincial budget provided additional funding for municipalities. Municipal transit operating grants will increase by 15%; a new Casino Revenue Sharing Agreement (5% of casino revenues for 2005 increasing to 10% for 2006) will fund 20 new police officers in Winnipeg; VLT revenue grants to municipalities will increase by $3.9 million; and, annual support for municipal streets and roads will increase by 20% in Winnipeg and 15% outside Winnipeg.

City Council could seek additional grant funding from the senior governments. The Province has increased funding through the Revenue Sharing Grant Pool in the last three years.

An important consideration for Regina and other cities is whether it is preferable to seek additional grants or additional authority. There are significant short and long-term implications to each approach.

2. **Increase the mill rate.** The mill rate is the primary determinant for property tax revenue and grants or payments in lieu of property tax. The revenue from property tax does not increase in the same way that Federal and/or Provincial Government taxes increase. Taking the PST as an example, the revenue from PST is influenced by three factors:

   - Tax rate (currently 7% in Saskatchewan);
   - Growth in the tax base resulting from more goods and services being sold – essentially growth through an increase in the "volume" or the tax base; and,
   - Growth in the tax base as the cost of goods and services increases – essentially growth in the tax base through increases in "value or price".

   For property taxes, while the assessment base has growth each year due to the construction or renovation of buildings that generates new property taxes, there is no increase in property taxes from growth in the assessed value of properties based on market appreciation.

3. **New or increased user fees and charges, fines and license fees.** Significant rate decisions made in recent years that are reflected in the 2006 budget projections include:

   - A fee schedule (Report CR03-171) for community and leisure services for the 2003 to 2007 period.
   - Increased landfill rates (Report CM03-15) for 2003 to 2006.
   - Increased transit fares for 2006 (Report CM04-3 and Bylaw 2004-26).

4. **Pursue alternative revenue options provided for in *The Cities Act* that are not currently used by the City of Regina.** Revenue options include:

   - The definition of a **public utility** [Section 2(cc)] includes **waste management and street lighting services**. During the 2002 budget process, the Executive Committee (Report EX02-15) considered the concept of a Waste Management Utility. The decision was made not to proceed with a utility. If a utility was implemented for waste management or street lighting, the cost of the services could be funded through a special charge rather than through general revenues.

     There are a number of municipalities that pay for waste collection and disposal through specific fees. The fee structures are typically either a flat fee irrespective of the amount of waste disposed, or use of a system such as the "tag a bag" system. The "tag a bag" concept could not be implemented in Regina for those portions of the city served by rear lane collection.

   - Section 8(3) of *The Cities Act* provides the authority for **fees for licenses, inspections, permits or approvals**. Section 8(4) of the legislation limits the license fees to the cost to the City for administering and regulating the activity and collecting the fees. While the City has many fees and charges, there may be opportunity for additional fees and charges. The total revenue increase available through new fees is likely minimal.

   - *The Cities Act* allows a municipality to use a **base tax** or a **minimum tax**. Both concepts have been considered by City Council in the past, with neither concept adopted for use. There are a number of cities in Saskatchewan that have adopted a base tax. These concepts could be used to

increase the amount of taxes collected, or change the distribution of who pays the current property taxes being collected.

- Section 264 of *The Cities Act* allows the establishment of **service fees** in connection with any service provided by the City. The difficulty with the legislation is that to enforce collection of the fee, the only option is to discontinue the service. For some services, discontinuance may be an option, but for many services this is not an option.

- Section 275 of *The Cities Act* authorizes a council to pass a **special tax** bylaw to raise revenue **to pay for any specific service or purpose** to be completed within the current year. The special tax could apply to the entire city or a portion of the city. The tax rate can be applied based on the property assessment, the frontage of a property, the area of a property or to each parcel of property. The only special tax currently levied by the City is for costs related to the reconstruction and maintenance of alleys and lanes.

- Section 279 of *The Cities Act* authorizes an **amusement tax**. While the City currently has an amusement tax, the City has chosen to limit the tax to those attending a commercial movie theatre. The tax base could be expanded to other forms of entertainment where an entrance fee or admission is charged.

If new taxes or fees are implemented, there will be increased administrative costs. The cost may be modest if existing billing and collection processes can be used. If not, the administrative cost of a new fee or tax could be substantial.

Taxation

Operating Revenue Summary ($000's)

Revenue Source	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Municipal Property Tax	102,907.2	101,981.2	**105,597.0**	2,689.8	2.6
Payments and Grants in Lieu of Tax	7,530.7	7,805.3	**7,467.2**	(63.5)	(0.8)
Total Property Tax	110,437.9	109,786.5	**113,064.2**	2,626.3	2.4
Supplementary Property Tax	800.0	873.9	**800.0**	-	-
Recovery from Other Taxing Authorities	2,000.0	1,941.7	**2,000.0**	-	-
Tax Cancellations	(400.0)	(45.0)	**(400.0)**	-	-
Total	112,837.9	112,557.1	**115,464.2**	2,626.3	2.3

The 2006 budget for property taxes and grants in lieu of property taxes is about $113 million, an increase of about $2.6 million over the 2005 budget. The key assumptions or factors that impact the budget are:

- **There is no increase in the municipal mill rate for 2006.** The mill rate for 2006 is 17.6987, the same as 2005.

- The 2006 preliminary assessment roll is $6,421,017,300. The assessment roll was reviewed for potential risk due to corrections and assessment appeals using preliminary information obtained from appeals filed by the deadline of February 22, 2006. Based upon that review, there is a risk of reduction in the assessment roll ranging from about $72 million to a worst case scenario of $98 million. This would be equivalent to a reduction in tax revenues of about $1.7 million to $2.3 million. **Executive Committee provided direction to reduce this contingency allowance to the amount of $600,000 at its meeting of February 25, 2006. The 2006 budget is based upon a potential reduction in taxes of $600,000, which is less than the potential projected risk.**

  There is risk that the $600,000 will not be sufficient. The actual reduction, including potential appeals outstanding at the end of the year, could be higher.

The following table details the property tax and grants in lieu of tax revenue (budget and actual) for the last five years. The property tax revenue includes supplementary taxes.

Tax Revenue ($000's)	2001	2002	2003	2004	2005
Property Tax:					
Budget	90,781.9	96,522.6	98,184.3	99,286.7	102,907.2
Actual	91,051.5	94,573.0	95,036.5	95,734.6	101,981.2
Variance	269.6	(1,949.6)	(3,147.8)	(3,552.1)	(926.0)
Grants In Lieu of Property Tax:					
Budget	7,586.0	7,885.4	8,456.3	7,739.4	7,530.7
Actual	7,990.2	7,863.4	8,051.3	7,574.2	7,805.3
Variance	404.2	(22.0)	(405.0)	(165.2)	274.6

As a result of assessment appeal decisions within the year and allowances for outstanding assessment appeals at the end of each year, there has been significant volatility in actual tax revenue as compared to budgeted revenues. **In four of the last five years, actual tax revenues have been less than the budget.**

Mill Rates and Mill Rate Factors

Mill rates and mill rate factors serve different purposes. The mill rate, applied to the taxable assessment (including the assessment of grant in lieu properties), determines the total tax generated. Mill rate factors determine the distribution of the taxes between groups of properties. The following table is the history of mill rates, including the mill rates for the Schools and Library, over the last ten years. There have been reassessments in 1997, 2001 and 2005. Whenever a reassessment occurs, the mill rate is recalculated such that there is no change in the total taxes levied as a result of the reassessment. The annual per cent change for 1997, 2001 and 2005 in the following table is based on the mill rate for the year in comparison to the restated mill rate for the prior year.

Mill Rate History

	Municipal		Schools		Library		Total	
Year	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change
1997	17.603	-	19.813	-	1.880	-	39.296	-
1998	17.603	-	19.813	-	1.880	-	39.296	-
1999	17.937	1.90%	20.189	1.90%	1.916	1.90%	40.042	1.90%
2000	18.176	1.33%	20.391	1.00%	1.935	1.00%	40.502	1.15%
2001	17.6549	-	19.5294	-	1.8795	-	39.0638	-
2002	18.4194	4.33%	19.7247	1.00%	1.9077	1.50%	40.052	2.53%
2003	18.6212	1.10%	19.7247	-	1.9745	3.50%	40.320	0.67%
2004	18.6212	-	19.7427	-	1.9745	-	40.338	-
2005	17.6987	4.00%	18.0264	-	1.8045	3.00%	37.5296	1.99%
2006	17.6987	-	18.5528	2.92%	1.9320	2.92%	38.1835	1.74%
Average Increase - 1997 to 2006		**1.27%**		**0.68%**		**1.38%**		**0.99%**

Mill rate factors can be established by City Council for each property class or subclass. The factors change the distribution of the total tax levied but do not increase or decrease the total tax collected. The following table shows the mill rate factors since 2003.

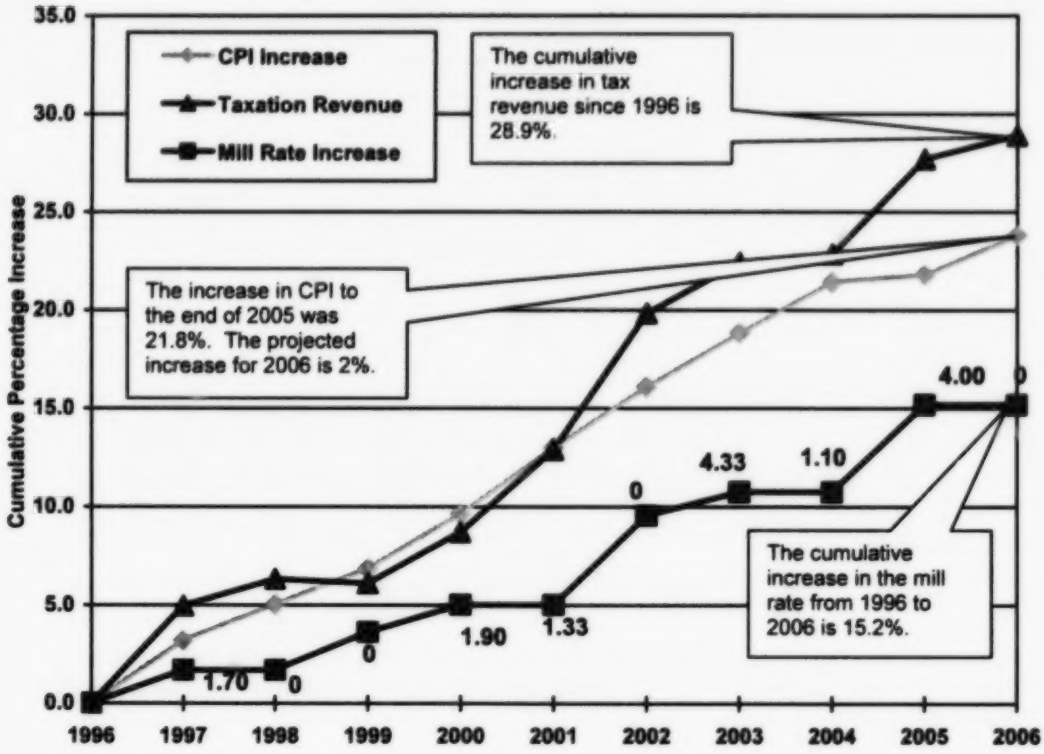
Mill Rate Factors

Property Class/Subclass	2003	2004	2005	2006
Residential (including condominiums)	0.8789	0.8789	0.83423	0.84113
Multiple Family Residential	1.2693	1.2693	1.27557	1.19420
Commercial and Industrial	1.1900	1.19768	1.34557	1.34557
Exterior Hotels	na	0.61763	na	na
Golf Courses	na	0.7800	0.94826	0.94826
Agriculture	1.1900	1.1900	1.34557	1.34557

In 2004, City Council directed that a Tax Policy be implemented to bring all residential taxes to a single rate over a five-year period beginning in 2006. Prior to 2005, the relative tax rate for Multiple-Family residential versus Other Residential property was 1.44, or about 30% higher. The impact of the Tax Policy change is an increase in the mill rate factor for Residential (including condominiums) of 0.8%; and a decrease in the mill rate factor for Multiple Family Residential of 6% of 2006. This will continue until 2010 when the mill rate factors will be equalized.

The following graph compares the cumulative change since 1996 in the mill rate, total tax revenue and consumer price index.

Municipal Mill Rate Increase, Tax Revenue Increase and CPI Increase
(Cumulative Increase Since 1996)



Property Assessment

Taxable assessment for a property is the fair value assessment determined in accordance with legislation and the Saskatchewan Assessment Manual multiplied by the provincial percentage set by the Province. For 2006, the provincial percentages are:

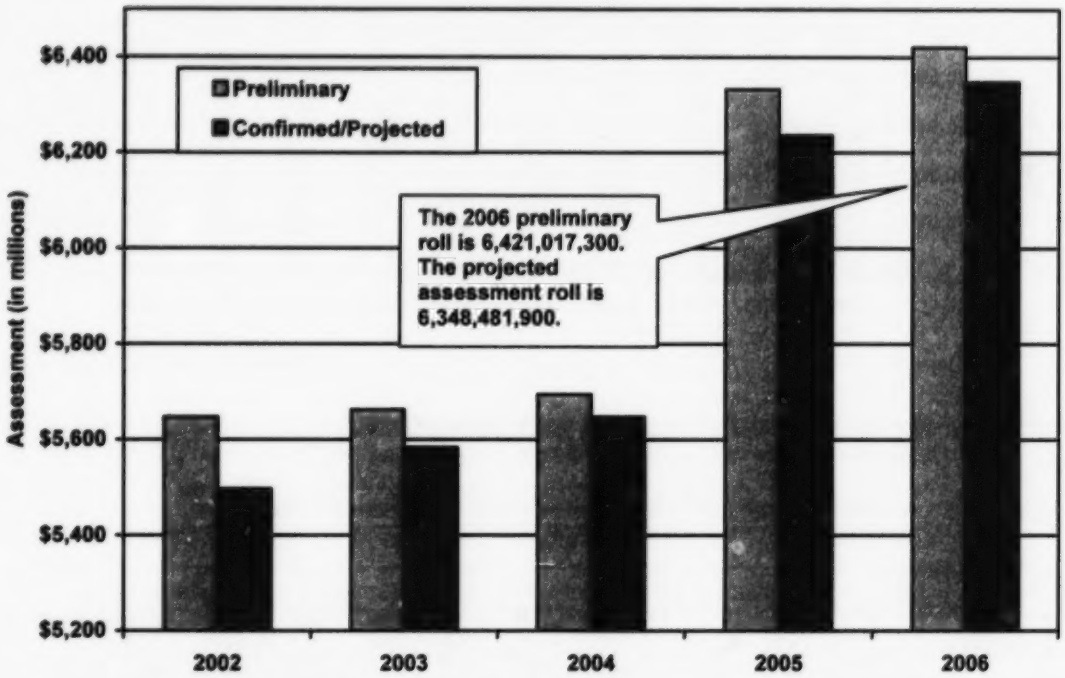
- 70% for all residential property, including condominiums and multi-unit residential property;
- 40% for non-arable land and 55% for other agricultural property;
- 75% for elevators, rail right of ways and pipelines; and,
- 100% for all other commercial and industrial property.

Each year an assessment roll is prepared. Within 30 days from the "opening" of the assessment roll, property owners have the right to file an assessment appeal. The first step of the assessment appeal process is an appeal to the Board of Revision. If any party to the assessment appeal is of the view that the Board of Revision erred in their decision, the party can appeal to the Saskatchewan Municipal Board Assessment Appeal Committee (SMBAAC). Once the SMBAAC renders a decision, parties to an appeal have the right to seek leave to appeal to the Court of Appeal with respect to a question of law.

Each year, there are changes to the assessment roll. This includes changes due to assessment appeal decisions of the Board of Revision and/or SMBAAC; additions to the assessment roll resulting from new construction or major renovations of property, the subdivision of property and zoning changes; and, deletions to the assessment roll, typically resulting from demolitions of property.

The total taxable assessment (including the assessment of grant in lieu properties) has been subject to significant change and uncertainty due to assessment appeals. The following graph highlights the variability between the preliminary assessment roll and confirmed assessment roll totals since 2001.

Property Assessment (Taxable and Grant-in-lieu)



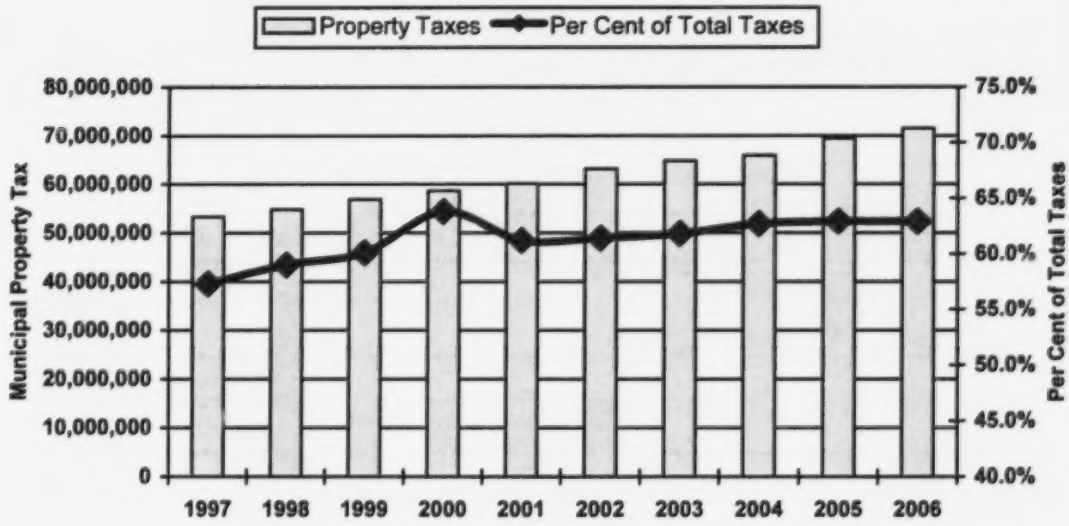
Note – Assessments for 2002 – 2004 are valued with a base year of 1998. The 2005 – 2006 assessment is valued with a base year of 2002.

In recent years, due to the impact of assessment appeals and other assessment changes, the confirmed assessment roll is less than the preliminary assessment roll. **At the direction of Executive Committee, the 2006 budget does not include the full reduction in taxes reflected in the projected assessment roll. Actual tax revenues may be lower than the budget. At the end of each year there are outstanding assessment appeals that have the potential to reduce the total assessment for a year to a value less than the confirmed assessment roll.** The contingent liability for assessment appeals outstanding at December 31, 2005 is about $6.1 million. The risk is with respect to appeals for the years 2001 to 2005.

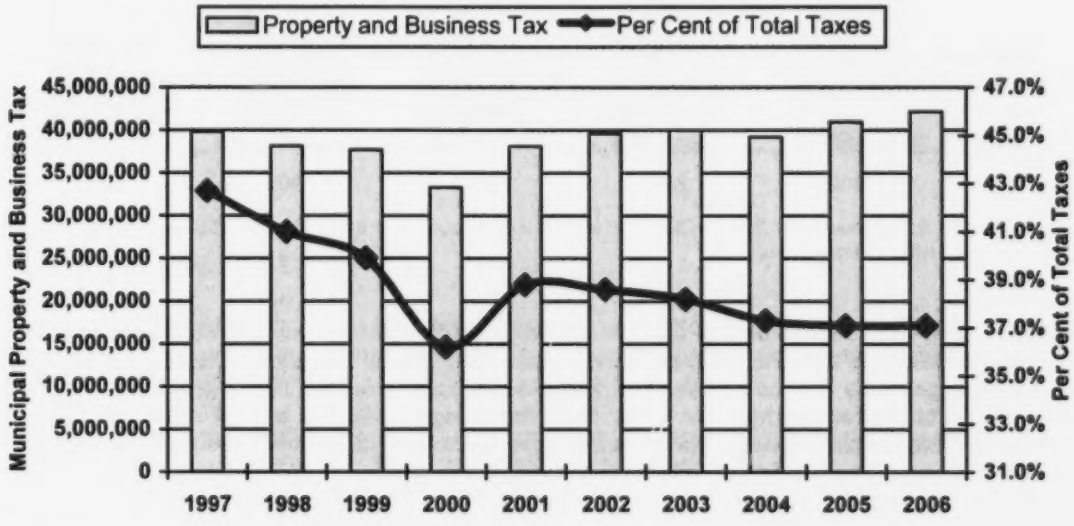
Tax Distribution

The next two graphs provide information on the changes in the distribution of taxes in Regina since 1997. The taxes are based on the confirmed assessment roll each year, net of phase-in adjustments and do not reflect allowances established at the end of the year for appeals, nor subsequent appeal decisions. The taxes for 2006 are based on the projected assessment. The graphs show the total taxes and percentage of total taxes since 1997.

Municipal Property Tax – Residential Properties



Municipal Property Tax – Commercial, Industrial and Other Properties



Government Grants and Transfers

Operating Revenue Summary ($000's)

Revenue Source	2005 Budget	2005 Actual	**2006 Budget**	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Revenue Sharing Grant	9,508.3	9,508.3	**13,000.0**	3,491.7	36.7
Paratransit Grant	900.0	939.2	**900.0**	-	-
Other Grants:					
Mosquito Control Grant	281.1	280.1	**280.1**	(1.0)	(0.4)
Dutch Elm Disease Grant	20.0	20.0	**20.0**	-	-
Discount Transit Pass Grant	234.0	268.8	**300.0**	66.0	-
Urban Aboriginal Leadership Program	35.0	70.0	**-**	(35.0)	-
Inner City Community Partnership	42.0	21.7	**55.0**	13.0	-
Cultural Capitals of Canada Grant	338.0	312.8	**23.0**	(315.0)	-
Defibrillator Training Grant	12.9	12.9	**-**	(12.9)	-
National Literacy Secrectariat Grant Act Solutions For Regina	-	-	**5.0**	5.0	-
Regina Solar Affordable Housing Project	-	-	**10.0**	10.0	-
Core Sustainable Neighborhood Feasibility Study	-	-	**220.0**	220.0	-
In Motion Grant	-	24.5	**-**	-	-
Crime Prevention Week	-	1.0	**-**	-	-
Crime Prevention Initiative	-	0.2	**-**	-	-
Total	**11,371.3**	11,459.5	**14,813.1**	3,441.8	30.3

Revenue Sharing Grant

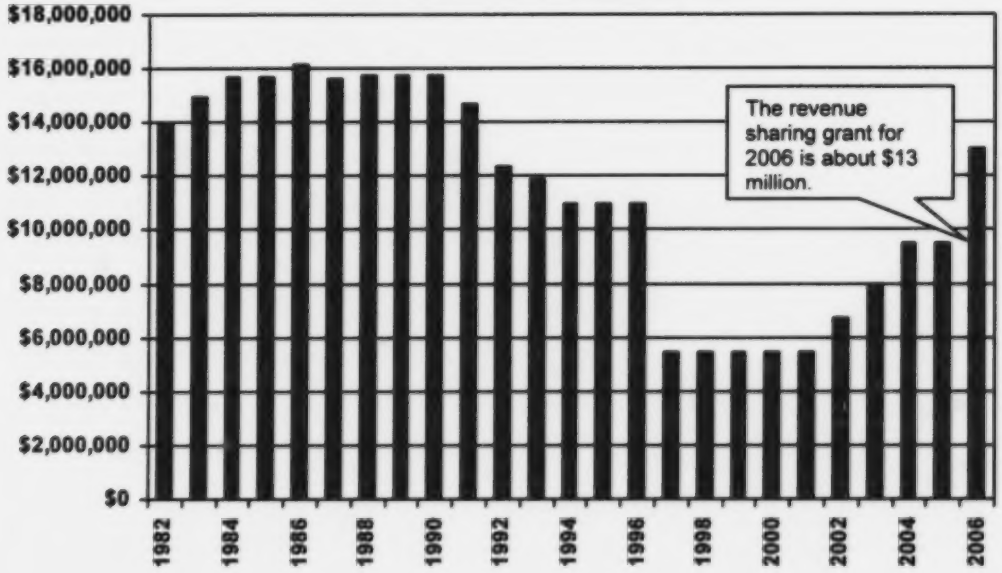
For 2006, funding for Regina from the Provincial Revenue Sharing grant is approximately $13 million. This represents an increase of almost $3.5 million from 2005. The increase is the result of:

- An addition to the Provincial Revenue Sharing Pool provided to Saskatchewan municipalities of $12.2 million on an ongoing basis. The estimated increase for Regina is about $1,750,000; and
- A one-time addition to the Provincial Revenue Sharing Pool for municipalities of $12.2 million for 2006 only. The estimated allocation to Regina for 2006 is about $1,750,000.

The specific details and amounts are yet to be confirmed in the 2006/2007 Provincial Budget.

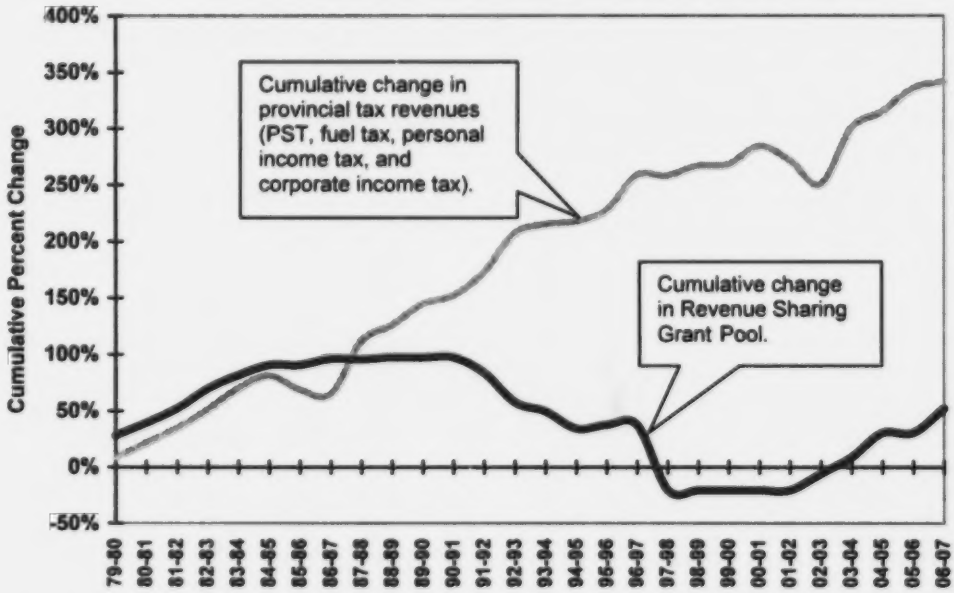
These increases represent a significant step in addressing the fiscal imbalance that resulted from the reductions in revenue sharing that occurred throughout the 1990's. The following graph shows the annual revenue sharing grant received by Regina since 1980:

Regina's Revenue Sharing Grant



Initially, the amount of funding in the Revenue Sharing Grant Pool was linked to four provincial tax bases (retail sales, fuel, personal income and corporate income), with the size of the pool increasing or decreasing with the change in the tax base (not tax revenue). The following graph shows the increase in the Urban Revenue Sharing Grant Pool since the inception of the grant program, in comparison to the increase in tax revenue from the four provincial taxes initially linked to the Revenue Sharing Grant Pool.

Provincial Tax Revenue and Revenue Sharing Grant Pool



Note: The 2006 change in provincial tax revenues is based on information provided in the Provincial 2005-06 mid year Financial Update.

Even with the increases in 2006, Regina's Revenue Sharing Grant is less than the amount received in 1990, without considering the impact of inflation. However, in recent years the Province has increased funding for Revenue Sharing grants. It is important that this trend continues.

In 1990, the Revenue Sharing Grant accounted for 11.1% of the total general operating revenue budget. In 2006 the grant accounts for 6.1% of the total general operating revenue.

The following table shows the distribution of the revenue sharing grants for urban and rural municipalities in 1990 and 2005. The 2006 distribution is not yet available. Even with the 2006 increase Regina and Saskatoon continue to receive significantly less than smaller centres and rural municipalities on a per capita basis.

Distribution of Revenue Sharing Grant Pools

	1990			2005		
	Amount	Per Cent of Total	Per Capita Grant[1]	Amount	Per Cent of Total	Per Capita Grant[1]
Urban Municipalities						
Regina	$ 15,727,000	15.3	$ 87.77	$ 9,508,304	12.2	$ 53.35
Saskatoon	15,860,400	15.5	85.24	10,430,983	13.4	53.00
Other Cities	10,663,800	10.4	68.68	9,812,633	12.6	64.09
Towns and Villages	19,904,500	19.4	88.71	14,357,080	18.4	66.14
Subtotal	62,155,700	60.6	83.44	44,109,000	56.5	59.19
Rural Municipalities	40,460,000	39.4	192.83	33,961,000	43.5	180.81
	$ 102,615,700	100.0	107.47	$ 78,070,000	100.0	83.67

Note 1: The census populations for 1991 and 2001 are used to calculate the per capita grants for 1990 and 2005.

The 2006 increase and one-time funding are proposed to be distributed on a per capita basis within the pool for the urban municipalities. This is an additional positive step in addressing the inequities in the Revenue Sharing formula.

Paratransit Grant

For 2006, the **Paratransit Grant** is projected to be $900,000, no change from the 2005 budget. The 2006 grant is not final and could change as a result of the final calculation by the Province.

The Province's Transit Assistance for the Disabled program provides operating and capital grants to transportation programs such as Regina's paratransit system. When the grant program was first implemented, the program funded 50% of the net operating cost of the paratransit program and 75% of the capital cost. The operating grant has been converted to a performance-based grant with the level of funding linked to the number of trips.

The paratransit grant has not kept pace with service needs and costs. The following table provides information on the operating grants since 2001.

Paratransit Service ($000's)	2000	2001	2002	2003	2004	2005	2006
Provincial Operating Grant	710.0	710.0	856.6	930.5	897.9	939.2	900.0
City's Operating Contribution	822.6	1,056.4	1,308.3	1,247.4	1,380.3	1,461.0	1,639.5
Total Contributions	1,532.6	1,766.4	2,164.9	2,177.9	2,278.2	2,400.2	2,539.5
Provincial Operating Grant	46.3%	40.2%	39.6%	42.7%	39.4%	39.1%	35.4%
City's Operating Contribution	53.7%	59.8%	60.4%	57.3%	60.6%	60.9%	64.6%
Total Contributions	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The Province's contribution has dropped from the initial target of 50% to less than 40% of the net operating cost of the program. Based on the projections for 2006 the contribution will be about 37%. The City supported the move to a performance-based system for providing the operating grants. The concern however is that the level of provincial funding (as a portion of the net cost of the program) is declining due to funding for the program not increasing, and costs of delivering the program continue to increase. The level of funding for Regina is also adversely impacted if there is more rapid growth in the number of trips in other communities. While it is reasonable that communities with an increasing number of trips should receive additional funding, the additional funding should come from an increase in the total grant pool, not by reducing the provincial contribution per trip.

Other Grants

The total for other grants for 2006 is $913,100. The Province also provides transfers to the Regina Police Service. The transfers received by the Regina Police Service are included in the Fees and Charges section for Police. Other grants are conditional grants linked to specific projects or initiatives. Most of the grants are one-time grants that will not be received from year to year. Some of the grants, such as those for the control of Dutch Elm Disease, the Mosquito Control Grant or the Discounted Transit Pass Grant are programs that could extent for several years, although there is no specific commitment from the Province with respect to the timeframe for the grants.

Licenses, Levies and Fines

Operating Revenue Summary ($000's)

Revenue Source	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Licenses					
Business Licenses	750.0	835.3	**750.0**	-	-
Taxi Licenses	42.0	38.8	**42.0**	-	-
Levies and Other Taxes					
Paved and Gravel Alley Special Tax	2,741.5	2,534.0	**2,761.8**	20.3	0.7
Local Improvement Levy	334.7	345.3	**334.7**	-	-
Amusement Tax	700.0	595.3	**525.0**	(175.0)	(25.0)
Fines					
Court Fines	2,100.0	2,530.9	**2,400.0**	300.0	14.3
Parking Tickets	1,400.0	1,412.3	**1,280.0**	(120.0)	(8.6)
Total	8,068.2	8,291.9	**8,093.5**	(198.4)	(2.4)

Business Licenses

The authority for licenses is Section 8 of *The Cities Act*. The majority of the licenses issued by the City are pursuant to Bylaw 9565, The Licensing Bylaw.

The 2006 budget for business licenses is $750,000, the same as the 2005 budget. City Council (Report CR03-220) approved increases in license fees in 2004 averaging about 19%. A home based business license increased from $180 to $215. On an annual basis, about 3,400 licenses are issued pursuant to Bylaw 9565. About one-half of the licenses issued are for a fee of $215. License fees range from $25 to $835, depending on the nature of the activity being licensed.

The following table details the business license revenue (budget and actual) since 2001.

Business License Revenue ($000's)	2001	2002	2003	2004	2005
Budget	590.0	590.0	565.0	665.0	750.0
Actual	555.5	529.0	571.1	775.1	835.3
Variance	(34.5)	(61.0)	6.1	110.1	85.3

Paved and Gravel Alley Special Tax

Funding for maintenance and reconstruction of alleys is through a **Paved and Gravel Alley Special Tax** levied pursuant to Section 275 of *The Cities Act*. The special tax is levied against all properties that abut an alley and is billed in conjunction with property taxes. The special tax also applies to exempt properties starting in 2005. The levy assessed pursuant to The Urban Municipality Act, 1984 applied to exempt properties, but the special tax did not. Legislation was recently changed to re-instate the ability to apply the special tax to exempt properties.

The 2006 budget of $2,761,800 is an increase of $20,300 over the 2005 budget. The 2006 budget reflects an increase in the special tax rates of approximately 3%. There is also deferred revenue collected in prior years that will be expended in 2006.

The following table details rates for alleys and lanes since 2002. Since 2003, the revenue was collected through the special tax provisions of *The Cities Act*. Prior to 2003, the levy was assessed pursuant to provisions of *The Urban Municipality Act, 1984*.

Assessable Rates	2002	2003	2004	2005	2006
Paved and Upgraded Alleys	$1.73/ft.	$1.90/ft.	$2.09/ft.	$2.15/ft.	$2.21/ft.
Gravel Alleys	$1.12/ft.	$1.23/ft.	$1.35/ft.	$1.39/ft.	$1.43/ft.

The rate increase for 2006 is consistent with the direction adopted by City Council to enhance the maintenance of alleys. In 1996, an initiative was undertaken to evaluate the entire alley system. From the review, it was proposed that a 30-year reconstruction cycle be adopted for paved alleys and a 40-year reconstruction cycle for gravel alleys. In order to implement this proposal the number of paved alleys reconstructed each year would be increased by an increment of four until 2005 when the program would provide for reconstruction of approximately 45 paved alleys. For gravel alleys, the number of alleys reconstructed each year would be increased by an increment of two until 2005 when the program would provide for the reconstruction of approximately 30 gravel alleys.

If the special tax levy is not fully expended in the year levied for the intended purpose, the amount of the levy that is not spent is recognized as deferred revenue and taken into revenue only when it is expended on the intended purpose.

Local Improvement Levies

Local improvement levies are the result of past local improvement work, where property owners adjacent to the improvements were responsible for a portion of the cost of the work. Property owners have a choice to pay for the full cost of their share of the work when the work is completed, or pay for their share of the cost, plus interest, over a period of ten years through local improvement levies. During the course of the ten-year repayment period, property owners have the option of paying, without penalty, the balance of the amount owing to the City. **For 2006, the projected revenue from local improvement levies is $334,700, the same as the budget in 2005.**

Amusement Tax

The authority for **amusement tax** is Section 279 of *The Cities Act*. Bylaw 2003-102, the Amusement Tax Bylaw, establishes the amusement tax rate and defines the nature of entertainment subject to the tax. Amusement tax is applicable to the sale of tickets for commercial movie theatres. The amusement tax is 10%, with one-tenth of the amount to be retained by the theatre as an administrative fee or commission for collecting the tax.

For 2006, the projected revenue from amusement tax is $525,000. The budget is a decrease of $175,000 from the budget for 2005. Starting in 2004, accounting policy was revised to record the full 10% amusement tax as revenue. The amount retained by the theatres as an administrative fee is recorded as an expenditure. The administrative fee or commission for 2006 is $64,800. The projected revenue decrease is based on actual results for 2005, reflecting a decline in theatre attendance.

The following table details the amusement tax revenue (budget and actual) since 2001.

Amusement Tax Revenue ($000's)	2001	2002	2003	2004	2005
Budget	380.0	380.0	420.0	525.0	700.0
Actual	411.8	475.2	522.8	770.3	595.3
Variance	31.8	95.2	102.8	245.3	(104.7)

Court Fines

The projected revenue from court fines for 2006 is $2,400,000, an increase of $300,000 over the 2005 budget. The increase is based on actual results in 2005.

Court fines are received either through the Municipal Court or through traffic violations that result in payment through the provincial court system. The Regina Police Service issues tickets for infractions of *The Provincial Vehicles Act* and the City of Regina Traffic Bylaw.

The next table provides a summary of the budgeted and actual revenue from court fines since 2001 along with history on the number of traffic tickets issued and paid.

Court Fines Information	2001	2002	2003	2004	2005
Fine Revenue ($000's):					
Budget	1,600.0	1,720.0	1,720.0	1,750.0	2,100.0
Actual	1,796.4	1,781.6	1,746.5	1,944.0	2,530.9
Variance	196.4	61.6	26.5	194.0	430.9
Traffic Tickets:					
Tickets Issued	23,486	20,371	19,101	24,886	n/a
Tickets Paid	18,944	18,746	18,860	22,026	n/a

Note:
1. *The information on traffic tickets issued and paid is not available from the Province at this time.*

While the Province administers and enforces the collection of tickets, they deduct from the fine revenue remitted to the City the following charges:

- A court security fee of $320,000 per year.
- An administration fee of 25% of the value of the tickets collected, plus the costs for credit and debit cards and collection agency fees. The total projected fine administration fee for 2006 is $630,000.

These fees are budgeted under Provincial Payments in the Finance Department budget.

Parking Fines

Parking fine revenue is projected to decrease in 2006 by $120,000 from the budget in 2005. The decrease is based on 2005 actual revenues. In 2004 City Council (Report CR03-113) increased parking infractions by $10, with a $5 increase in the discount, coupled with the discount period being extended from 10 days to 14 days. The decrease for 2006 is the projected impact of fewer tickets being issued as a result of a change in Provincial policy. The Province no longer requires a licence plate on the front and

back of a car. When there was a requirement for two licence plates, tickets were issued for vehicles that did not comply with the requirement.

The next table provides a summary of the parking fine revenue since 2001 along with information on the tickets issued and paid, and other related information.

Parking Ticket Information	2001	2002	2003	2004	2005
Parking Ticket Fines ($000's):					
Budget	970.0	1,070.0	1,172.0	1,500.0	1,400.0
Actual	1,089.8	1,165.7	1,317.2	1,431.2	1,412.3
Variance	119.8	95.7	145.2	(68.8)	12.3
Parking Tickets:					
Tickets Issued - City	71,784	76,024	69,373	68,370	69,344
Tickets Issued - Wascana/University	12,597	16,392	23,635	21,874	17,906
	84,381	92,416	93,008	90,244	87,250
Tickets Paid	78,675	83,906	82,065	77,882	75,770

Fees and Charges

Operating Revenue Summary ($000's)

Revenue Source ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Engineering and Works Department	5,504.1	5,921.8	**5,979.8**	475.7	8.6
Community Services Department	9,198.1	8,813.9	**9,067.0**	(131.1)	(1.4)
Transit Department	5,579.3	4,990.4	**5,500.6**	(78.7)	(1.4)
Police Department	3,305.8	3,727.9	**3,923.7**	617.9	18.7
Other Fees and Charges	1,194.6	1,612.2	**1,375.0**	180.4	15.1
Total	24,781.9	25,066.2	**25,846.1**	1,064.2	4.3

Engineering and Works Fees and Charges

Revenue Source ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Servicing Agreement Fees	50.0	136.5	**50.0**	-	-
Survey Services	20.0	20.0	**20.0**	-	-
Sale of Maps and Prints	10.0	4.2	**10.0**	-	-
Street Name Signs	8.5	23.9	**8.5**	-	-
Cut Repairs	50.7	173.7	**142.0**	91.3	180.1
Claims Revenue	130.0	67.5	**130.0**	-	-
Parking Permit Fees	64.0	72.8	**64.0**	-	-
Encroachment Fees	23.0	198.2	**23.0**	-	-
Parking Meter Fees	1,080.0	1,206.3	**1,200.0**	120.0	11.1
Other Permits	4.5	2.2	**4.5**	-	-
Other Revenues	15.0	5.1	**15.0**	-	-
Landfill Charges	3,542.0	3,526.1	**3,814.5**	272.5	7.7
Commercial Waste Collection	268.4	267.4	**308.3**	39.9	14.9
Recycling Revenues	238.0	217.9	**190.0**	(48.0)	(20.2)
Total	5,504.1	5,921.8	**5,979.8**	475.7	8.6

Parking Meter Fees

The 2006 budget for parking meter revenues is $1,200,000, an increase of $120,000 over 2005. The increase is based on 2005 actual revenues. In 2003, City Council (CR03-113) approved, effective July 1, 2003, an increase in parking meter rates from $0.75 to $1.00 per hour. The increase was for regular meters. Loading zone meters are 50 cents for 15 minutes.

The following table details parking meter revenue (budget and actual) since 2000.

Parking Meter Revenue ($000's)	2001	2002	2003	2004	2005
Budget	870.0	850.0	983.0	1,080.0	1,080.0
Actual	813.2	932.6	1,064.2	1,095.4	1,206.3
Variance	(56.8)	82.6	81.2	15.4	126.3

Landfill Fees

The 2006 budget for landfill fees is $3,814,500, an increase of $272,500 over the 2005 budget. In 2003, City Council (Report CM03-15) approved new landfill rates for the 2003 to 2006 period. The rate prior to the approved schedule of increases was $20.60 per tonne. The rate increased to $27.50 per tonne August 31, 2003, $27.50 per tonne, January 1, 2004, $30.90 per tonne January 1, 2005 and $33.00 per tonne January 1, 2006.

In addition to the rate per tonne increasing, the rate for cars and trucks increased beginning in 2003. The rate had been $1.00 per vehicle, and increased to $3.00 per vehicle in August 2003, $4.00 per vehicle in 2004 and $5.00 per vehicle in 2005.

City Council also adopted a revised funding policy for the calculation of the transfer to the landfill reserve. Starting in 2003, the landfill and recycling revenues net of landfill and recycling operating costs are transferred to the Landfill Reserve to fund landfill capital costs. The landfill revenues used in the calculation of the transfer include the revenues from external customers, and the deemed revenue, based on the approved landfill rates for residential waste disposed at the landfill. A financial model has been developed for the landfill operations, taking into account operating and capital costs for the landfill and recycling. Rates are established based on funding requirements for operating costs along with current and projected capital requirements.

The following table details landfill revenue (budget and actual) since 2001.

Landfill Revenue ($000's)	2001	2002	2003	2004	2005
Budget	2,370.0	2,385.4	2,176.9	3,262.0	3,542.0
Actual	2,416.8	2,019.8	2,175.7	3,285.3	3,526.1
Variance	46.8	(365.6)	(1.2)	23.3	(15.9)

Community Services Fees and Charges

Revenue Source ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Community and Leisure Services Division					
Northwest Leisure Centre	436.8	353.9	**427.1**	(9.7)	(2.2)
Sandra Schmirler Leisure Centre	666.3	587.9	**667.6**	1.3	0.2
Lawson Aquatic Centre	806.3	755.3	**772.2**	(34.1)	(4.2)
Fieldhouse	725.0	607.9	**642.2**	(82.8)	(11.4)
Outdoor Pools	137.0	123.1	**131.0**	(6.0)	(4.4)
Neil Balkwill Civic Arts Centre	185.7	138.1	**187.7**	2.0	1.1
Speed Skating Oval	0.8	3.1	**0.8**	-	-
Outdoor Ice	0.5	0.6	**0.6**	0.1	20.0
Athletic Fields	49.0	101.6	**113.9**	64.9	132.4
Taylor Field	201.1	213.1	**211.1**	10.0	5.0
Leslie Lawn Bowling Greens	17.5	17.5	**17.5**	-	-
Tennis Courts	1.9	1.2	**1.9**	-	-
Douglas Park	0.5	1.8	**3.0**	2.5	-
Indoor Arenas	1,225.4	1,141.0	**1,200.9**	(24.5)	(2.0)
Other Revenues	5.0	58.1	**14.0**	9.0	-
Community & Social Development Services					
Facility Rentals	162.8	151.8	**172.8**	10.0	6.1
Program Registration Fees	61.2	23.9	**45.1**	(16.1)	(26.3)
Other Revenue	6.0	-	**-**	(6.0)	(100.0)
Parks and Open Space Management Division					
Golf Courses	2,427.5	2,108.5	**2,375.0**	(52.5)	(2.2)
Cemeteries	946.6	866.7	**864.3**	(82.3)	(8.7)
Streetscape	5.0	19.0	**5.0**	-	-
Other Revenue	20.0	24.5	**24.0**	4.0	20.0
Bylaw Enforcement Division					
Removal of Junk	1.5	30.5	**79.5**	78.0	5,200.0
RRAP Inspection Fees	26.7	35.4	**27.8**	1.1	4.1
Building Inspections Division					
Building Permits Fees	900.0	1,290.4	**900.0**	-	-
Other Revenue	16.0	19.9	**16.0**	-	-
Urban Planning Division					
Development Application Fees	120.0	97.0	**120.0**	-	-
Sign Permit Fees	32.0	32.3	**32.0**	-	-
Other Revenue	14.0	9.8	**14.0**	-	-
Total	9,198.1	8,813.9	**9,067.0**	(131.1)	(1.4)

Community and Leisure Services Revenue

The following table details community and leisure services revenue (budget and actual) since 2001. The revenue includes the fees and charges for programs and services at North West Leisure Centre, Sandra Schmirler Centre, Lawson Aquatic Centre, Fieldhouse, Outdoor Pools, Neil Balkwill Civic Arts Centre, Athletic Fields, and neighbourhood centres.

Community & Leisure Revenues ($000's)	2001	2002	2003	2004	2005
Budget	2,665.0	2,947.9	3,336.6	3,596.9	3,463.6
Actual	2,703.7	3,175.3	3,267.1	3,418.2	3,113.8
Variance	38.7	227.4	(69.5)	(178.7)	(349.8)

City Council (Report CR03-171) approved a fee schedule for Community and Leisure Services for the 2003 to 2007 period. Examples of the changes are:

- The youth general admission fee to a leisure facility was $2.55 on September 1, 2003, increasing to $2.70 January 1, 2004, $3.00 September 1, 2004, and $3.30 September 1, 2005. As of September 1 for the following years, the fee increases to $3.60 in 2006 and $3.90 in 2007.
- The adult general admission fee has a similar schedule of increases, with the overall increase from $3.40 as of September 1, 2003 to $5.20 as of September 1, 2007.
- The cost of a three month leisure pass for a youth increases from $62.00 as of September 1, 2003 to $98.00 as of September 1, 2007. Over the same period, the adult three-month leisure pass increases from $82.65 to $127.00.

Arena Revenue

The 2006 budget for arena revenue is $1,200,000, a decrease of $24,500 as compared to the 2005. City Council (Report CR03-171) adopted a revised fee schedule for arenas and other recreation and leisure facilities. There are a variety of fees for arenas. The rates for the two major uses of areas are:

- For adult activity and tournaments, the hourly rate for ice time was $117.30 September 1, 2003, increasing to $120.80 April 19, 2004, $124.40 in 2005, $128.00 in 2006 and $132.00 in 2007. The fee is intended to recover 100% of the cost.
- For youth leagues and tournaments, the hourly rate for ice time was $63.35 as of September 1, 2003, increasing to $68.80 April 19, 2004, $76.40 in 2005, $80.60 in 2006 and $85.80 in 2007. By 2007, the rate will be 65% of the adult rate.

The following table details arena revenue (budget and actual) since 2001.

Arena Revenue ($000's)	2001	2002	2003	2004	2005
Budget	992.1	1,019.0	1,235.3	1,262.5	1,225.4
Actual	1,090.1	1,102.7	1,135.7	1,195.2	1,141.0
Variance	98.0	83.7	(99.6)	(67.3)	(84.4)

Golf Course Revenue

The 2006 budget for golf course revenue is $2,375,000, $52,500 less than the 2005 budget.

Golf course revenue includes a combination of a portion of the green fees paid (50% of green fees with the other 50% going to the course operators), along with fees paid by the course operators. The fees paid by the course operators are established in the contract for each course, with a formula to increase the fee based on the rate of increase for golf fees.

The following table details golf course revenue (budget and actual) since 2001.

Golf Course Revenue ($000's)	2001	2002	2003	2004	2005
Budget	2,186.8	2,230.0	2,474.4	2,417.7	2,427.5
Actual	2,221.7	2,048.9	2,358.6	2,214.9	2,108.5
Variance	34.9	(181.1)	(115.8)	(202.8)	(319.0)

Cemetery Revenue

The 2006 budget for cemetery revenue is $864,300, a decrease of $82,300 from the 2005 budget. City Council (Report CR03-248) approved the Cemeteries Financial Plan for 2004 to 2006. The Plan included rate increases for 2004, 2005 and 2006. The annual revenue for the cemetery options includes revenue from fees and charges, and investment income on the Perpetual Care Trust Fund.

The following table details cemetery revenue (budget and actual) since 2001.

Cemetery Revenue ($000's)	2001	2002	2003	2004	2005
Budget	730.8	780.5	806.3	849.1	946.6
Actual	792.0	897.8	847.4	923.5	866.7
Variance	61.2	117.3	41.1	74.4	(79.9)

Building Permit Fees

The 2006 budget for building permit fees is $900,000, the same as in 2005. The fees are established in Building Bylaw 2003-7. In 2003 City Council (Report CR03-249) considered a report that reviewed the building permit fees. The fee schedule was not changed, but the formula for calculating the value for the purpose of determining the permit cost was revised. Building permit fees are by policy based on a 75% cost recovery over a five-year period. There is a schedule of fees for building projects with a value of up to $100,000 ($100 fee for $10,000 value up to a $500 fee for $100,000 value), with the fee increasing by $5.00 per $1,000 in value above $100,000.

The following table details building permit fee revenue (budget and actual) since 2001.

Building Permit Revenue ($000's)	2001	2002	2003	2004	2005
Budget	800.0	751.0	800.0	900.0	900.0
Actual	1,054.3	795.5	1,179.7	1,188.1	1,290.4
Variance	254.3	44.5	379.7	288.1	390.4

Transit Fees and Charges

Revenue Source ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Public Transit					
Cash Fares	1,678.3	1,492.7	**1,644.7**	(33.6)	(2.0)
Ticket Sales	877.1	726.6	**849.6**	(27.5)	(3.1)
Pass Sales	1,817.4	1,516.4	**1,809.1**	(8.3)	(0.5)
Senior Citizens Pass Sales	303.9	257.9	**212.3**	(91.6)	(30.1)
Advertising	267.7	271.6	**317.9**	50.2	18.8
Other Revenue	202.6	279.4	**210.8**	8.2	4.0
Paratransit					
Cash, Ticket and Pass Sales	267.3	325.0	**291.2**	23.9	8.9
Other Revenue	165.0	120.8	**165.0**	-	-
Total	5,579.3	4,990.4	**5,500.6**	(78.7)	(1.4)

The 2006 budget for Transit revenues is $5,500,600, a decrease of $78,700 as compared to the 2005 budget. The projected revenue includes the impact of the increase in transit fares effective July 1, 2006. **There is a grant from the Province of $300,000 for the discounted pass program. The grant is shown in the Government Grants section.** The following table details revenues (budget and actual) since 2002.

Transit Revenues and Fares ($000's)	2002	2003	2004	2005	2006
Public Transit Revenue:					
Budget	5,324.6	5,250.4	5,374.7	5,147.0	5,044.4
Actual	5,204.0	5,279.0	5,198.1	4,544.5	n/a
Variance	(120.6)	28.6	(176.6)	(602.5)	n/a
Public Transit Rates (Effective July 1):					
Cash Fares:					
Adult	1.65	1.75	1.90	2.00	2.10
Youth	1.20	1.30	1.40	1.50	1.60
Tickets (10 tickets):					
Adult	15.50	16.00	16.00	16.50	17.00
Youth	11.10	11.50	11.50	12.00	12.50
Bus Pass:					
Adult (monthly)	50.00	52.50	52.50	54.00	57.00
Post Secondary (monthly)	43.00	45.50	45.50	47.00	48.00
Youth (monthly)	37.00	39.00	39.00	40.00	42.00
Senior (semi-annual)	75.00	85.00	85.00	88.00	93.00
Senior (annual)	150.00	170.00	170.00	176.00	185.00
Discounted Pass (monthly)	n/a	15.00	15.00	15.00	15.00
Paratransit Revenue:					
Budget	359.1	379.4	409.8	432.3	456.2
Actual	366.6	386.8	422.0	445.8	n/a
Variance	7.5	7.4	12.2	13.5	n/a
Paratransit Rates (Effective July 1):					
Cash Fares	1.65	1.75	1.90	2.00	2.10
Tickets (10 Tickets)	n/a	n/a	19.00	20.00	21.00
Monthly Pass (40 uses)	n/a	n/a	76.00	80.00	84.00

The revenue projection for public transit revenues is based on a fare strategy for 2004 to 2006 that includes a goal to increase ridership by deep discounting tickets and passes. The components of the fare strategy include:

- The ticket price for adults reflects a 30-cent per ticket discount in 2004, a 35-cent discount in 2005, and a 40-cent discount in 2006.
- For youth tickets, the discount would be 25 cents per ticket in 2004, 30 cents in 2005, and 35 cents in 2006.
- An adult pass is equivalent to 27 times the adult cash fare for 2005 and 2006.
- The post secondary pass is 23.5 times the adult cash fare in 2005 and 23 times in 2006.
- The youth pass is 27 times the youth cash fare in 2005 and 2006.
- The senior annual pass is the equivalent to 3.25 the monthly adult pass.
- The daily or weekend family pass is the equivalent of three times the adult cash fare.

Police Fees and Charges

Revenues for the Regina Police Services are projected to increase $617,900. The revenues are based on the 2006 budget of the Board of Police Comission as submitted to City Council. The revenues include transfers from the Federal and Provincial Governments.

				Change 2005 to 2006	
Revenue Source ($000's)	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Provincial Programs					
9-1-1 PSAP	712.0	696.2	**720.0**	8.0	1.1
Victim Services	87.9	88.7	**88.7**	0.8	0.9
Aboriginal Resource Officers	82.2	83.0	**83.0**	0.8	1.0
SHOCAP	400.0	400.0	**437.5**	37.5	9.4
Organized Crime	375.0	410.8	**375.0**	-	-
Enhanced Community Policing	800.0	800.0	**1,146.0**	346.0	43.3
Historical Case Investigator	-	-	**90.0**	90.0	-
Fraud Investigator - Social Services	70.0	73.0	**70.0**	-	-
SGI Enforcement Overdrive	67.0	66.9	**67.0**	-	-
	2,594.1	2,618.6	**3,077.2**	483.1	18.6
Federal Programs					
Proceeds of Crime	80.0	80.0	**80.0**	-	-
RIIU Casual Monitor	30.5	24.2	**32.2**	1.7	5.6
CPIC Field Operations	60.8	58.7	**62.7**	1.9	-
Corrections Liason Officer			**70.0**	70.0	-
	171.3	162.9	**244.9**	73.6	43.0
Other Revenue					
Radio Shop	356.4	444.0	**357.6**	1.2	0.3
Miscellaneous Revenue	155.0	490.9	**215.0**	60.0	38.7
Contributions	24.0	-	**24.0**	-	-
Cost Recoveries	5.0	11.5	**5.0**	-	-
	540.4	946.4	**601.6**	61.2	11.3
Total	3,305.8	3,727.9	**3,923.7**	617.9	18.7

Provincial Programs

- **9-1-1 PSAP** – This revenue is related to the provincial 9-1-1 system. The Regina Police Service is one of the three Public Safety Answering Points (PSAP) for Saskatchewan. The Regina regional PSAP was live in February 2003.

- **Victim Services** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds two civilian employees to provide basic services to victims of crime and traumatic events including information, support, referral, accompaniment and advocacy.

- **Aboriginal Resources Program** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds two civilian employees to provide basic services to aboriginal victims of crime and their families including information, support and referral. The program also reflects community interest/concerns as a focus for advocacy within the justice system on behalf of aboriginal victims of crime.

- **SHOCAP** – Serious and Habitual Offender Comprehensive Action Plan Program. This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds three police officers and one support staff to provide a strategy that integrates the resources of police, prosecutions, social services, corrections and other agencies to respond in an effective manner to serious and habitual offenders.

- **Organized Crime** – This program is funded by the Saskatchewan Provincial Government, Department of Justice. The program funds four officers and one support staff to provide a strategy for the resources of the Regina Police Service Serious Crime Task Force to conduct comprehensive investigations of individuals involved in or suspected of engaging in organized criminal activities.

- **Enhanced Community Policing** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and currently funds ten officers.

- **Provincial Family Violence** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds one officer to assist in providing province-wide training on family violence for law enforcement and other justice personnel and expertise on other justice initiatives related to family violence.

- **Fraud Investigator** – This program is funded by the Saskatchewan Provincial Government, Department of Social Services and funds one officer to investigate fraud.

- **SGI Enforcement Overdrive** – This program is funded by SGI and funds the cost to conduct road side check points to reduce the incidence of impaired driving and make the streets of Regina safer.

Federal Programs

- **Proceeds of Crime** – This program is funded by the Government of Canada and funds one officer to participate in a multi-oganizational until called the Integrated Proceeds of Crime Section (IPOC).

- **RUUI Casual Monitor** – This program is funded by the RCMP and supports one-half time casual to provide clerical duties related to Automated Criminal Intelligence Information System (ACIIS).

Other Police Revenues

- **Miscellaneous Revenue** – This revenue includes pre-employment criminal record checks, letters of conduct and other general revenue.

- **Radio Shop** – This revenue is cost recovery and corresponds with the Radio Shop Operating Expenditure Budget. Revenues are received through charges for services related to the City of Regina joint trunked radio station.

- **School Resource Vehicle Lease** – This revenue is cost recovery and is received for lease payments for school resource vehicles.

- **Sigma Testing Cost Recovery** – This funding is cost recovery and is the actual cost of administering the Sigma testing that is charged to all police and communications officers applicants.

Other Fees and Charges

Revenue Source ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Council and Committees					
Board of Revision Fees	50.0	23.4	**10.0**	(40.0)	(80.0)
Development Appeals Fees	3.5	3.2	**3.5**	-	-
Other Revenue	-	0.8	**0.8**	0.8	-
	53.5	27.4	**14.3**	(39.2)	(73.3)
Corporate Services Department					
Auction and Salvage	133.6	172.3	**166.0**	32.4	-
Employee Parking	120.0	116.2	**120.0**	-	-
Facility Operating Agreements	13.0	18.9	**20.0**	7.0	53.8
Facility Charges - Sunset Library	65.1	61.6	**65.1**	-	-
Other Revenue	9.0	121.4	**9.0**	-	-
Public Affairs Fees and Charges	16.0	78.3	**16.0**	-	-
Election Cost Recovery	-	-	**155.5**	155.5	-
	356.7	568.7	**551.6**	194.9	54.6
Finance Department					
Assessment and Taxation Fees	170.0	162.6	**170.0**	-	-
False Alarm Fees	10.0	50.6	**40.0**	30.0	300.0
Convention Parking Permits	5.5	4.7	**5.5**	-	-
NSF Cheque Fees	13.9	14.9	**13.6**	(0.3)	(2.2)
Other Revenue	20.0	201.7	**20.0**	-	-
	219.4	434.5	**249.1**	29.7	13.5
Fire Department					
Fire Suppression Fees	175.0	169.2	**170.0**	(5.0)	(2.9)
Other Revenue	5.0	27.4	**5.0**	-	-
	180.0	196.6	**175.0**	(5.0)	(2.8)
Saskatchewan Lotteries Grant	385.0	385.0	**385.0**		-
Total	1,194.6	1,612.2	**1,375.0**	180.4	15.1

Board of Revision Fees

The Board hears appeals and makes decisions with respect to local improvements and property assessment appeals in accordance with *The Local Improvements Act, 1993* and *The Cities Act.* There are nine citizen members on the Board. The fees established by City Council in Bylaw 2003-69, pursuant to the authority in Section 196 of *The Cities Act*, are:

- $30.00 for each single family residential property;
- $30.00 per condominium unit; and,
- For all other properties, $150.00 for properties with a fair value assessment of up to $499,999. For properties with a fair value assessment of $500,000 to $1,000,000, the fee is $500.00 and for properties with a fair value assessment over 1,000,000, the fee is $750.00.

Fees are refundable if the appeal is successful. There are typically a substantial number of appeals in a reassessment year, with fewer appeals in the years following a reassessment.

Development Appeals Fees

The Development Appeals Board hears and considers appeals to zoning regulations. It carries the duties and powers as set forth in Bylaw 9250 and section 92 of *The Planning and Development Act, 1983.* There are five citizen members on the Board. The appeal fee is $50.00.

Assessment and Taxation Fees

The revenue for assessment and tax fees is $170,000 in total. The estimated revenue from tax certificates is $100,000. The fee for a tax certificate is $25. Fees paid by mortgage companies for taxation services are estimated at $50,000. A variety of other miscellaneous fees account for the balance of the assessment and taxation fee revenue. Fees are established in Schedule B of Bylaw 2003-69.

False Alarm Fees

Based on a recommendation from The Board of Police Commissioners, City Council passed Bylaw 2004-24, providing for false alarm fees of $75 for the third and fourth false alarm within a one year period. The Police Department administers the alarm bylaw, but the fees are billed through the Finance Department.

Fire Suppression Service Fees

The majority of the Fire Department revenue is for fees pursuant to service agreements with the Rural Municipality of Sherwood and the Rural Municipality of Lumsden. The fees have two components:

- **Retainer Fee** – For each of the servicing agreements there is an annual retainer fee paid by the Rural Municipality. The base fee was established when the initial agreements were negotiated, with the fee increased each year by the greater of the percentage increase in the Consumer Price Index for the prior year, and the percentage increase in the operating budget for the Fire Department. The following table has information on the projected retainer fee for 2006 along with the fees in prior years.

Fire Service Agreements Retainer Fee	2002	2003	2004	2005	2006
Rural Municipality of Sherwood	56,113	58,021	63,237	65,639	69,617
Rural Municipality of Lumsden	7,540	7,796	8,497	8,820	9,350

- **Service Call Fee** – In addition to the retainer fee, there is a charge per incident billed to the rural municipality. Revenues vary based on the number of service calls, the resources required, and the length of time for a call. The estimated revenue from service call fees in 2005 is approximately $70,000.

Other Fire suppression service fees are received from Saskatchewan Government Insurance for motor vehicle accidents and fires (2005 estimate of $20,400), and payments from the Municipal Rescue Services Fund administered by SUMA (2005 estimate of $10,100). The purpose of the Municipal Rescue Services Fund is to more fully compensate municipal fire and rescue units for performing emergency services at vehicle accidents outside of their jurisdiction.

Other Revenues

Operating Revenue Summary ($000's)

Revenue Source	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Electrical Distribution	21,440.0	22,123.1	**22,730.0**	1,290.0	6.0
Gas Distribution	8,980.0	9,431.2	**9,395.0**	415.0	4.6
Interest	3,850.0	4,756.6	**4,050.0**	200.0	5.2
Tax Penalties	1,575.0	1,135.3	**1,265.0**	(310.0)	(19.7)
Interfund Transfers					
Utility Surplus Transfer[1]	4,503.9	4,503.9	**4,672.0**	168.1	3.7
Utility Administration	2,599.6	2,599.6	**2,716.1**	116.5	4.5
Pension and Benefits Administration	242.3	248.3	**242.3**	-	-
Buffalo Pound Water Admin. Board	24.0	24.0	**24.0**	-	-
Transfer from Reserve					
General Fund Reserve	1,596.5	-	**2,272.6**	676.1	42.3
Social Development Reserve	-	127.1	-	-	-
Grants Reserve	-	116.8	-	-	-
Winter Road Maintenance	-	1,075.5	-	-	-
Total	44,811.3	46,141.4	**47,367.0**	2,555.7	5.7

Note:

1. *The budget and actual amounts for 2005 have been restated to eliminate the $2.5 million contribution from the Water and Sewer Utility related to the Canada Saskatchewan Infrastructure Program (CSIP) grants received by the utility. The last year of the transfer is 2005. For 2005, the transfer will be directly from the utility to the General Capital Fund. For the 2005 to 2008 period, there will also be a transfer of $1.7 million per year related to the Municipal Rural Infrastructure Fund grants received by the utility.*

Electrical Distribution Revenue

The City receives from SaskPower a 10% municipal surcharge that is added to a customer's bill, and 5% of the SaskPower revenues within the city limits (called a payment in lieu of taxes).

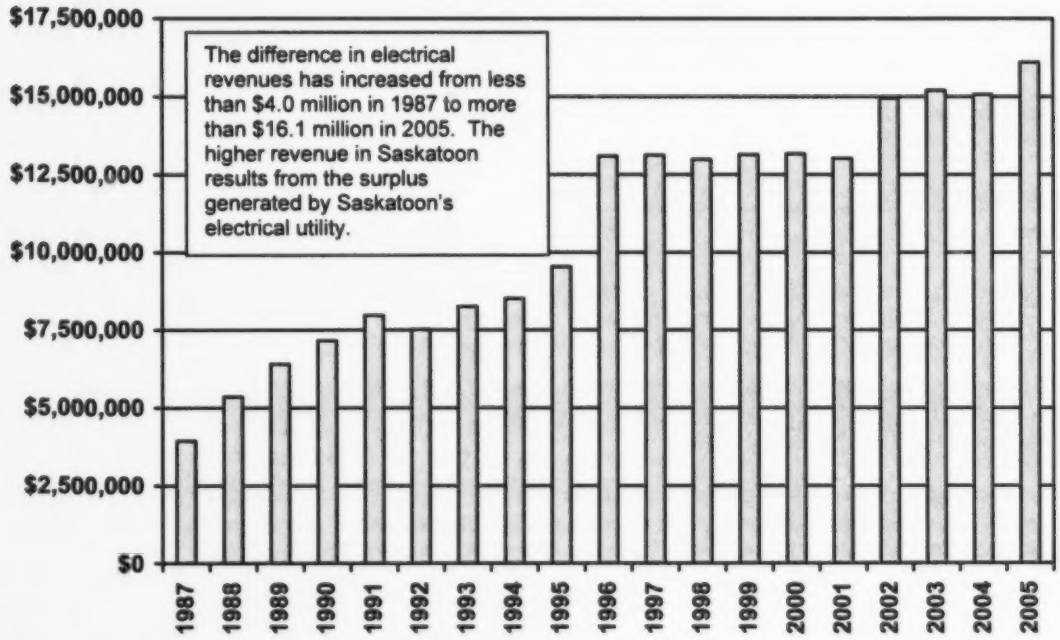
The projected revenue for 2006 is $22,730,000, an increase of $1,290,000 or 6.0% over the 2005 budget. The 2006 revenue budget is based on a three-year average of the revenue received from SaskPower, after adjusting for rate changes over the three-year period.

The following table details the electrical revenue (budget and actual) since 2001.

Electrical Revenue ($000's)	2001	2002	2003	2004	2005
Budget	18,900.0	18,900.0	19,900.0	20,800.0	21,440.0
Actual	18,870.0	19,986.9	20,745.5	20,760.3	22,123.1
Variance	(30.0)	1,086.9	845.5	(39.7)	683.1

Electrical revenue is the major difference in the revenue available to Regina and Saskatoon. The next graph highlights the **difference** in electrical revenues in the two cities since 1987.

Difference in Electrical Revenues – Regina and Saskatoon



Natural Gas Distribution Revenue

The City receives revenues from SaskEnergy and its subsidiary TransGas on the consumption of natural gas. For SaskEnergy, there is a 5% surcharge (payment in lieu of taxes) that is added to a customer's bill. For customers who do not purchase natural gas from SaskEnergy, but purchase from another supplier, TransGas delivers the natural gas and bills for the transportation cost. TransGas also collects a 5% payment in lieu of tax that is paid to the City. The amount is calculated on the costs of transportation, plus a deemed cost of gas calculated in accordance with regulations. In calculating the deemed cost of gas, the average cost of gas price as determined by Saskatchewan Industry and Resources is used.

The TransGas payments with respect to the consumption by Consumers' Co-operative Refineries Limited (CCRL) and Newgrade Energy Inc. (NEI) are subject to an agreement dated October 3, 2000. The agreement was linked to the expansion of the refinery. Prior to the agreement taking effect, the payments from CCRL and NEI for direct purchases of natural gas was calculated on the total amount of natural gas purchased. The companies use natural gas for fuel (fuel stock) and in the production process (feedstock). The agreement provided that once the expansion was operational, natural gas used as feedstock would be eliminated from the calculation of the amount paid to the City, subject to a base amount. The payment to the City will be the greater of an average annual amount of $1,162,050 or the amount due on natural gas used as fuel.

The projected revenue for 2006 is $9,395,000, an increase of $415,000 or 4.62% over the 2005 budget. Assumptions used to generate the 2006 revenue budget are:

- The projected revenue from SaskEnergy is based on a three-year average, with the revenues over the three years adjusted for rate changes.

- The TransGas payment with respect to the consumption of natural gas by Consumers' Co-operative Refineries Limited and Newgrade Energy Inc. is based on the terms of the agreement, projected natural gas volumes provided by the two companies, and the average deemed cost of gas. Changes in the volume of fuel stock and/or the deemed cost of gas will affect the actual revenue received, subject to the base amount in the agreement.

The following table details the gas revenue (budget and actual) since 2001.

Gas Revenue ($000's)	2001	2002	2003	2004	2005
Budget	8,400.0	6,500.0	7,850.0	8,600.0	8,980.0
Actual	8,513.2	7,878.2	9,612.6	8,837.8	9,431.0
Variance	113.2	1,378.2	1,762.6	237.8	451.2

There have been substantial variances between the revenue budget and actual revenue. The variances are for the most part related to the payments for direct purchase customers. Variability in consumption and the deemed cost of gas are the major factors.

The following table details the deemed cost of gas since 2001 used in the calculation of the payments in lieu of taxes for direct purchase customers. In addition to the deemed cost of gas, there is an amount added to the deemed cost pursuant to regulations. The amount for 2005 was 13.3 cents per GJ.

Deemed Cost of Gas ($ per GJ)	2001	2002	2003	2004	2005
January	7.849	3.181	5.155	5.340	6.558
February	11.313	3.324	6.094	6.156	6.062
March	9.057	2.798	6.946	6.061	5.965
April	7.127	3.110	8.544	5.577	6.331
May	6.775	3.850	6.204	5.787	6.954
June	6.313	3.901	6.133	6.230	6.768
July	4.775	3.573	6.197	6.795	6.451
August	3.717	3.014	5.751	6.231	6.684
September	3.200	2.660	5.343	6.075	7.544
October	2.679	3.372	5.408	5.197	9.470
November	2.283	3.973	4.893	5.338	11.025
December	3.171	4.850	4.732	6.634	10.379

Note: Natural gas costs have declined substantially in the first quarter of 2006 due to mild weather in North America.

Interest

Interest earnings are a combination of earnings on short-term investments in a money market fund, and revenue from funds held in a long-term bond fund. The projected interest revenue is subject to change due to changes in cash balances and/or interest rates. **The 2006 budget for interest earnings is $4,050,000, an increase of $200,000 from the 2005 budget.**

The following table details the interest revenue (budget and actual) since 2001.

Interest Revenue ($000's)	2001	2002	2003	2004	2005
Budget	3,510.1	2,925.0	3,750.0	3,364.8	3,850.0
Actual	3,486.6	5,728.6	5,594.7	4,198.9	4,756.6
Variance	(23.5)	2,803.6	1,844.7	834.1	906.6

Tax Penalties

Tax penalties are applicable to current taxes that are not paid by June 30 each year and tax arrears. The exception for current taxes is where a property owner is paying taxes through the TIPPS program. The penalty rate for current taxes is 1.25% per month, with a rate of 1.5% per month for tax arrears.

The 2006 budget for tax penalties is $1,265,000, a decrease of $310,000 compared to the 2005 budget. Penalties for current taxes have decreased in recent years as more customers (both residential and non-residential) make use of the monthly tax payment program (TIPPS) and as tax arrears decline. The following table details the tax penalty revenue (budget and actual) since 2000.

Tax Penalty Revenue ($000's)	2001	2002	2003	2004	2005
Budget	1,690.0	1,577.0	1,469.0	1,450.0	1,575.0
Actual	1,566.6	1,445.0	1,481.9	1,349.2	1,135.3
Variance	(123.4)	(132.0)	12.9	(100.8)	(439.7)

Water and Sewer Utility Transfers

Transfers from the Water and Sewer Utility include:

- A Utility Surplus Transfer; and,
- A Utility Administration Charge.

The **Utility Surplus Transfer** is calculated based on 7.5% of the budget for billed utility revenues for the prior year. Starting in 2004, the transfer includes the benefit to the Utility (estimated to be $675,000) of the additional GST rebate. The rate used to calculate the Utility Surplus Transfer in 1990 was 2.5%. The rate was revised to 7.5% starting in 1991.

The **Utility Administration Charge** is calculated as 5% of the budgeted utility expenditures for the prior year. Most corporate functions (City Council, Committees, City Manager, Human Resources, City Solicitor's Office, City Clerk's Office, Accounting, Budgeting, and Acquisitions) are involved in issues or activity related to the Water and Sewer Utility. The percentage transfer is used in lieu of a more detailed cost allocation process. A more detailed process would still involve arbitrary decisions, and would significantly increase the effort and hence cost required as compared to the current policy. The amount of the charge is intended to be an approximate measure of the extent that these corporate costs are attributable to the utility.

In the past, the Utility Surplus Transfer also included an amount equal to the benefit received by the Water and Sewer Utility through the Canada Saskatchewan Infrastructure Program (CSIP). The transfer was $1.9 million in 2001, and $2.5 million from 2002 through 2004. There was a transfer of $2.5 million for 2005, the last year of the CSIP program. For 2006 the transfer will be directly from the utility to the General Capital

Fund, rather than through the General Operating Budget. As a result of the change in the accounting for the transfer in 2005, the 2004 budget and actual amounts have been restated.

For 2006, the utility transfers are $7,388,100, an increase of $116,500 over the transfers in 2005. The next table provides details on the utility transfers since 2001.

Water & Sewer Utility Transfers ($000's)	2001	2002	2003	2004	2005
Utility Surplus Transfer:					
Base Utility Transfer	3,246.9	3,264.7	3,426.5	3,622.2	3,828.5
GST Rebate Transfer	-	-	-	675.4	675.4
Total Utility Surplus Transfer	3,246.9	3,264.7	3,426.5	4,297.6	4,503.9
Utility Administration Charge Transfer	3,486.6	5,728.6	5,594.7	2,465.4	2,599.6
Total Transfers	6,733.5	8,993.3	9,021.2	6,763.0	7,103.5

Transfers From Reserves

The General Fund Reserve is the primary general-purpose reserve maintained by the City. The major sources of transfers to the reserve are the operating surplus, the net revenue of the Real Estate operations (primarily revenue from the sale of land), and unexpended capital funds that are returned to the reserve. The following table provides a projection for the General Fund Reserve.

General Fund Reserve ($000's)	2005	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	**8,089**	**10,415**	**8,492**	**8,152**	**7,632**	**7,862**
Projected Contributions						
Property Sales	1,155	1,100	400	400	400	400
Operating Surplus	1,773					
Other	318	-	-	-	-	-
Uses of Reserve Funds:						
General Operating Budget	-	(1,701)	-	-	-	-
2005/2009 Reassessment	-	(169)	-	-	-	-
Civic Election	-	(151)	-	-	(150)	-
Asset Management System	(560)	(252)	-	-	-	-
Wascana Lake Project	(234)	-	-	-	-	-
Land Purchase from Highways	(86)	-	-	-	-	-
Government House	-	(20)	(20)	(20)	(20)	-
Country Music Awards Bid	-	-	(70)	-	-	-
IIHF World Jr Hockey Championship Bid	-	-	-	(250)	-	-
General Capital Program	-	(300)	(650)	(650)	-	-
Ross Industrial	(40)	(430)	-	-	-	-
Reserve Balance - End of Year	**10,415**	**8,492**	**8,152**	**7,632**	**7,862**	**8,262**

The General Fund Reserve was almost $20.0 million by the end of 2002. **The reserve has been significantly reduced since 2002, with a projected balance of about $8.5 million at the end of 2006.**

The transfer from the General Fund Reserve to the operating budget is $2,272,600 for 2006. The transfer in 2006 includes:

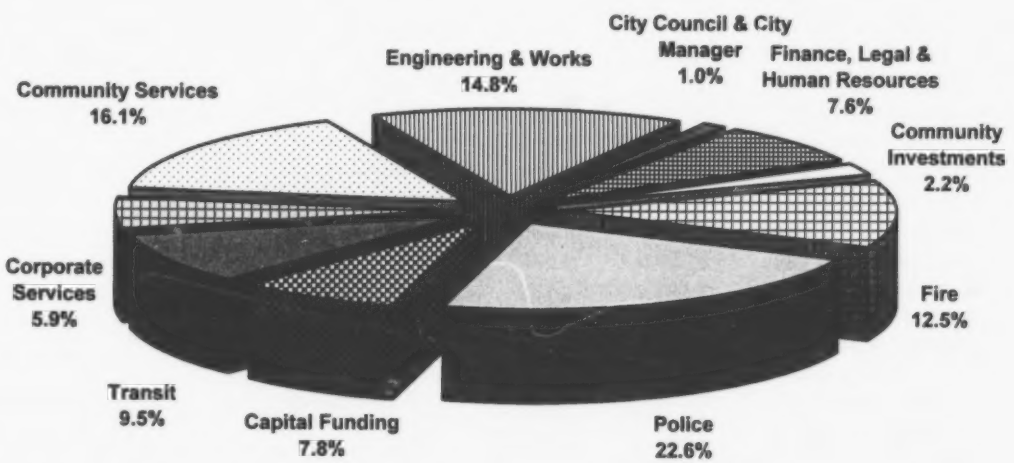
- $169,000 for the costs of the 2009 Reassessment including costs for the implementation of a new tax and assessment system to support the reassessment.
- $252,000 for costs related to the second year of a two year implementation of a new maintenance management system for the City's assets and infrastructure.
- $151,100 for the costs for the civic election.
- $1,700,500 as directed by Executive Committee to bridge the budget gap.

General Operating Expenditures

Operating Expenditure Summary ($000's)

Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
City Council and Committees	1,277.3	1,153.7	**1,133.3**	(144.0)	(11.3)
Community Investments	4,430.0	4,701.8	**4,630.0**	200.0	4.5
Capital Funding	16,714.5	16,714.5	**16,415.4**	(299.1)	(1.8)
City Manager's Department	826.4	937.9	**1,033.5**	207.1	25.1
Human Resources Department	2,088.2	2,037.5	**2,179.1**	90.9	4.4
Legal Department	2,382.2	2,432.2	**2,479.7**	97.5	4.1
Finance Department	11,032.0	10,909.4	**11,375.0**	343.0	3.1
Corporate Services Department	11,281.5	11,203.4	**12,551.5**	1,270.0	11.3
Fire Department	24,609.7	25,319.8	**26,494.8**	1,885.1	7.7
Community Services Department	32,867.0	31,190.9	**34,113.1**	1,246.1	3.8
Transit Department	18,651.3	18,269.7	**20,051.1**	1,399.8	7.5
Engineering and Works Department	30,381.8	31,121.6	**31,268.8**	887.0	2.9
Subtotal	156,541.9	155,992.4	**163,725.3**	7,183.4	4.6
Police Department	45,328.7	45,750.9	**47,858.6**	2,529.9	5.6
Total General Operating	201,870.6	201,743.3	**211,583.9**	9,713.3	4.8

2006 Operating Expenditures



Why Have Expenditures Increased?

The increase in expenditures for 2006 is about $9.7 million, or an increase of 4.8%. Details of the increase are provided in the next table and the discussion that follows.

Summary of Expenditure Increases – 2005 to 2006

	Amount of Increase		Per Cent Increase
Salaries and Benefits:			
Fire	1,837,200		
Transit	690,900		
Engineering and Works	1,143,900		
Community Services	922,800		
Other Departments	1,506,400		
Subtotal		**$ 6,101,200**	
Capital Funding:			
Contributions to Capital - Civic	50,000		
Contributions to Capital - Police	(312,000)		
Debt Costs	(37,100)		
Subtotal		**(299,100)**	
Specials and Additions:			
2006 Specials and Additions	3,295,600		
Delete 2005 Specials	(2,397,400)		
Subtotal		**898,200**	
Other Expenditure Changes:			
Insurance Costs	(62,400)		
Software Maintenance Costs	109,600		
Paratransit Contract Costs	91,000		
Low Cost Spay Neuter Program	15,000		
Fuel Costs	553,400		
Wascana Centre Authority	80,000		
Provincial Payments - Fine Administration	75,400		
Levies on City Owned Property	20,000		
Computers and Output Devices	(75,400)		
Investment Management Fees	(24,200)		
Natural Gas	42,800		
Electrical Costs - General	97,500		
Electrical Costs - Street Lighting	(474,700)		
Allocated Facilities Trades Costs	97,500		
Fleet and Equipment Costs	128,500		
Transfers to Reserves	(210,700)		
Pavement Cut Costs	93,100		
Rent	42,500		
Other Cost Changes	(115,800)		
Subtotal		**483,100**	
Total Civic Budget Increase		**7,183,400**	**4.6%**
Police Budget Increase		**2,529,900**	**5.6%**
Total Increase - 2005 to 2006		**9,713,300**	**4.8%**

In developing the budget, increases in expenditures must be substantiated. **There is no general inflationary increase applied to expenditures.**

Salary and Benefits

The increase in the civic portion of the budget for salaries and benefits of about $6.1 million is for the existing staff complement. Points to note include:

- The collective agreements for all civic unions (CUPE Local 7, CUPE Local 21, Amalgamated Transit Union Local 588, Civic Middle Management, and The International Association of Fire Fighters Local 181) which had expired at the end of 2003 were renewed during 2005. The contract for the International Association of Fire Fighters was resolved through binding arbitration which resulted in increases higher than the amounts that had been budgeted in 2004 and 2005. The contracts with CUPE Local 7, CUPE Local 21 and Amalgamated Transit Union Local 588 were resolved through negotiation after a 26 day strike, with increases higher than those budgeted in 2004 and 2005. These increases, along with increases for Civic Middle Management, Out of Scope Employees and Police, contributed to the increase in salary and benefit costs.

- Salary and benefit costs have increased in part due to merit increases provided in collective agreements and classification changes.

The next table provides a summary of the staff complement reflected in the General Operating Budget for 2005 and 2006 for the General Operating Budget. The staff complement in the table does not include positions funded through other budgets, including the Water and Sewer Utility Budget, the Costing Fund Budget or the General Capital Budget.

General Operating Budget Staff Complement (FTE's)

	2005			2006			
Department	**Permanent**	**Casual**	**Total**	**Permanent**	**Casual**	**Total**	**Change**
Civic Administration							
Mayor's Office	4.0	-	**4.0**	4.0	-	**4.0**	-
City Manager	5.5	-	**5.5**	6.5	-	**6.5**	1.0
Human Resources	22.5	-	**22.5**	22.5	-	**22.5**	-
Legal	19.0	-	**19.0**	19.0	1.0	**20.0**	1.0
Finance	130.0	8.4	**138.4**	130.0	4.2	**134.2**	(4.2)
Transit	219.0	2.8	**221.8**	224.0	2.8	**226.8**	5.0
Fire	289.0	0.5	**289.5**	289.0	-	**289.0**	(0.5)
Community Services	191.5	164.0	**355.5**	194.5	167.3	**361.8**	6.3
Engineering & Works	183.5	55.7	**239.2**	182.8	58.6	**241.4**	2.2
Corporate Services	167.7	17.6	**185.3**	169.7	17.7	**187.4**	2.1
Civic Total	1,231.7	249.0	**1,480.7**	1,242.0	251.6	**1,493.6**	12.9
Police Department	482.0	18.5	**500.5**	487.0	18.0	**505.0**	4.5
Total	1,713.7	267.5	**1,981.2**	1,729.0	269.6	**1,998.6**	17.4

The changes in the staff complement for the Civic Administration include:

- In the City Manager's Department there is a new Coordinator for EFAP. The cost for this position is partially offset by a reduction of the contract budget.

- In the Legal Department there is an addition for an articling student.

- In the Finance Department changes are as follows:
  - An increase of 1.0 casual position for system and processing support.
  - A decrease of casual positions related to the 2005 Reassessment project.
  - A temporary additional 0.7 casual position, Distribution Clerk, in the Financial Administration Division for implementation of the maintenance management system.
- In the Transit Department the changes include five permanent positions for bus operators. The cost for the new positions is offset by a reduction in overtime.
- In the Fire Department there is an increase of .5 permanent positions for improved administrative support. The increase is offset by the combination of two management positions into one, resulting in a decrease of 1.0 permanent position for a net decrease of .5 permanent positions.
- In the Community Services Department changes are as follows:
  - An additional 2.3 casual positions in the Parks and Open Space Management Division.
  - An additional casual position in the Buildings Inspection Division.
  - A new permanent position, Housing Standards Inspector, in the Bylaw Enforcement Division.
  - A new permanent position, Business System Analyst in the Urban Planning Division.
  - A new permanent position, Market Research, in Administration and Marketing.
- In the Engineering and Works Department a reassignment of positions resulted in a decrease of .7 permanent positions and an increase of 2.9 casual positions.
- In the Corporate Services Department the changes are as follows:
  - A new permanent position, One Tonne Challenge Coordinator.
  - A new Project Analyst to support Tax and Assessment System (TAS).

Additions and Specials

The specials and additions for 2006 total $2,136,500, excluding those expenditures funded by specific grants or through a transfer from the General Fund Reserve. The additions and specials for 2006 include:

- $15,500 to fund the City's share of Shaping Regina – Community Sustainability Framework. The total project costs are $310,000, of which the City's portion is $31,000. The first half of the City's share was paid in 2005.
- Funding for the 2006 Brier ($100,000).
- Additional funding for Community Investments ($100,000).
- $26,000 to fund an increase in the cost of SUMA membership.
- $109,200 for the payment required under the City Manager's contract.
- $50,000 for the costs to recruit a new City Manager.

- An additional $38,200 for a new Coordinator of EFAP. The net change to the operating budget would be $22,100 as the contracted position would be terminated.
- Funding of $32,900 for an articling student in Legal Services.
- Funding in Fire Administration to provide improved clerical support to all divisions ($18,200).
- Funding for system and annual processing support in the Revenue Administration Division ($37,900).
- Additional funding to the Transit Department for security service to the downtown main transit transfer points on 11th and 12th Avenues ($15,600).
- Additional funding for the Community Services Department includes:
  - $25,000 for a Market Researcher position for Community and Leisure Services.
  - $95,000 for casual staff to assist with maintenance of public parks and open space that will be added to the inventory in 2006.
  - $20,000 for funding to service backflow prevention devices.
  - $25,000 for elm tree pruning and power line pruning within Council's approved pruning cycle.
  - $20,000 to maintain athletic fields at standards approved by City Council.
  - $65,400 for a Housing Standards Inspector for investigation of complaints with initiation of inspections.
  - $57,000 to fund a term Coordinator to continue the Regina Inner City Community Partnership Program which is jointly funded by the Federal Government and the City.
  - $39,900 for a Mechanical Inspector in the Building Division to address the increase in building activity.
  - $16,100 to fund a data input clerk for the Responsive Applications and Permit Information Database (RAPID) Project.
  - $12,900 for a Business Systems Analyst to support RAPID.
- Additional funding for the Corporate Services Department includes:
  - $306,600 to fund the cost of the municipal election. This will be offset by cost recovery from other taxing authorities ($155,500)
  - $27,000 to provide funding for after hours standby support of the Fire Department's Computer Aided Dispatch application.
  - $37,500 for a Project Management Analyst.
  - $50,000 for airphoto renewal.
  - $40,000 to fund consulting for the City of Regina website.
  - $15,000 to complete the web writing pilot project.

- $100,000 for application support resources for Assessment/Assessment Administration/Taxation applications.
- $10,000 to fund circulation of the Mayor's State of City pamphlet.
- $57,000 for a One Tonne Challenge Coordinator.

- Additional funding for Engineering and Works Department includes:
  - $4,800 for increase of .25 fte in Administrative support.
  - $55,000 for completion of Southeast Sector Plan Transportation Impact Study.
  - $60,000 for the completion of the Southwest Sector Plan Transportation Impact Study.
  - $50,000 to update the City's travel demand model.
  - $30,000 for the increased expenses related to addressing defects primarily on high speed roadways.
  - $70,300 for the increase for the Alley Maintenance Strategy.
  - $11,000 to extend the Traffic Counting Program.
  - $60,000 to accommodate residential solid waste collection expansion.
  - $50,000 increase for Condominium Rebate Program.
  - $77,500 for a new landfill gas collection and control system.
  - $30,000 for increasing costs in the Big Blue Bin Program.
  - $75,000 for the Landfill Small Vehicle Transfer Station.

City Council and Committees

Overview

City Council is responsible for the governance of the City of Regina, subject to Provincial legislation. Members of City Council are elected every three years in a municipal election. The next election is Wednesday, October 25, 2006. The Mayor is elected at large. The City of Regina uses a ward system for electing Councillors, with the city divided into ten wards and one Councillor elected in each ward. City Council establishes policies and budgets for the programs and services delivered by the City of Regina. City Council and Committees includes the budgets for:

- The Mayor's Office.
- City Council, including the remuneration of the Councillors, the Councillors' travel and communication allowance, support services and other costs related to City Council.
- Committees established by City Council.
- Memberships in various organizations, including the Saskatchewan Urban Municipalities Association and the Federation of Canadian Municipalities.
- Administrative Review Body established pursuant to section 362 of *The Cities Act*.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Mayor's Office[1]	403.3	407.7	**403.4**	0.1	0.0
City Council[1]	437.4	476.8	**455.3**	17.9	4.1
Committees	328.3	163.1	**138.5**	(189.8)	(57.8)
Corporate Memberships	103.3	104.8	**131.1**	27.8	26.9
Administrative Review Body	5.0	1.3	**5.0**	-	-
Total	1,277.3	1,153.7	**1,133.3**	(144.0)	(11.3)

Note:

1. *City Council adopted Bylaw 2001-108 that established, effective January 1, 2002, a formula for the remuneration of the members of City Council. The Mayor's remuneration is 77.3% of a Provincial Cabinet Minister's salary for the prior year. The remuneration for a Councillor is one-third the remuneration of the Mayor. The Provincial Cabinet Ministers salaries decreased in 2005 and as a result the Mayor's remuneration and that of Councillors have decreased accordingly for 2006.*

Staff Complement

Full Time Equivalents	**2004**	**2005**	**2006**
Permanent	4.0	4.0	4.0
Casual	-	-	-
Total	4.0	4.0	4.0

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	1,277.3
1. Salaries and Benefits - Remuneration increase and related benefit costs for Mayor and Councillors as per Bylaw 2001-108. As of January 1, 2006, the Mayor's salary of $85,127 is 77.3% of Provincial Cabinet Minister's salary established in May 2005 of $110,125. A Councillor's salary of $28,376 is one-third of the Mayor's salary. The decrease from 2005 is a result of a decrease in Provincial Cabinet Ministers salaries.	(2.4)
2. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefits costs, and the general increases for 2004, 2005 and 2006.	21.0
3. Delete 2005 Specials.	(207.3)
4. Special - Community Sustainability Framework.	15.5
5. Addition - Increased SUMA Membership Fees.	26.0
6. Other cost changes.	3.2
2006 Budget	1,133.3

Community Investments

Overview

Community investments are payments to individuals or organizations for a variety of purposes allocated through the following Committees:

- The Parks and Community Services Committee provides financial support to community associations and organizations that provide arts, cultural, recreation, community and social services.
- The Finance and Administration Committee provides financial support for economic and promotional purposes.
- The Executive Committee provides financial support for capital purposes to the Regina Exhibition Association Limited and funding to the Economic Development Investment Fund. The amount allocated in 2006 has been provided to the Regina Regional Economic Development Authority.

While responsibility for allocations has been delegated to Committees, City Council determines the total allocation for the year, and the allocation to each Committee.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Parks and Community Services Committee	2,919.5	3,027.9	**3,039.5**	120.0	4.1
Finance and Administration Committee	576.1	584.5	**556.1**	(20.0)	(3.5)
Executive Committee	400.0	555.0	**400.0**	-	-
2006 Brier			**100.0**		
Economic Development Investment Fund	534.4	534.4	**534.4**	-	-
Total	4,430.0	4,701.8	**4,630.0**	200.0	4.5

Capital Funding

Overview

The City funds a portion of the General Capital Program through contributions from the operating budget. The operating budget also funds the repayment of debt costs for debt issued to fund capital projects. In accordance with Section 129(1) of *The Cities Act*, the budget is to include **"the amount to be transferred to the capital budget"**. In accordance with Section 129(1)(b) the budget is also to include **"the amount needed to pay all debt obligations with respect to borrowings of the city"**.

The contributions to capital include two components:

- The contributions to capital to fund the capital budget as submitted by the Board of Police Commissioners.
- The contributions to capital to fund the civic portion of the General Capital Program, excluding the capital program for the Regina Police Service.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Contributions to Capital - Civic	12,950.0	12,950.0	**13,000.0**	50.0	0.4
Contributions to Capital - Police	1,816.0	1,816.0	**1,504.0**	(312.0)	(17.2)
Debt Charges	1,948.5	1,948.5	**1,911.4**	(37.1)	(1.9)
Total	16,714.5	16,714.5	**16,415.4**	(299.1)	(1.8)

City Manager's Department

Overview

The management of the civic administration of the City of Regina (excluding the Regina Police Service) is the responsibility of the City Manager. Appointed by the City Council, the City Manager's authority is established by the City Manager's Bylaw 2003-70 and the Regina Administration Bylaw 2003-69.

The City Manager's Department also includes the following services:

- Program Review.
- Employee and Family Assistance Program.
- Emergency Planning.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
City Manager's Office(1)	298.8	416.8	**472.6**	173.8	58.2
Program Review	206.7	202.1	**212.6**	5.9	2.9
Employee & Family Assistance Program	211.6	215.5	**244.2**	32.6	15.4
Emergency Planning	109.3	103.5	**104.1**	(5.2)	(4.8)
Total	826.4	937.9	**1,033.5**	207.1	25.1

Note:

1. *The 2006 expenditures for the City Manager's Office include $50,000 for the recruitment of a new City Manager as well as $109,200 for the contractual payment to the current City Manager.*

Staff Complement

Full Time Equivalents	**2004**	**2005**	**2006**
Permanent	6.0	5.5	6.5
Casual	-	-	-
Total	6.0	5.5	6.5

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	826.4
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefits costs, and the general increases for 2004, 2005 and 2006.	37.6
2. Create new position for EFAP Coordinator.	38.2
3. Reduced EFAP Contracted Services.	(13.7)
4. Contractual payment required under existing City Manager's contract.	109.2
5. Recruitment of new City Manager.	50.0
6. Decrease in Consulting Services for Emergency Planning.	(10.9)
7. Decreased Administrative costs related to the work plan resulting from the Core Services Review.	(10.0)
8. Other cost changes.	6.7
2006 Budget	1,033.5

Human Resources Department

Overview

The mission of the Human Resources Department is "to build partnerships with management to support their efforts in effectively managing their human resources, within a culture of respect and value."

The vision for the Department is "As business partners, we are innovative and strategic leaders, and stewards of human resource management principles, in an ever changing environment."

By working in partnership with management, the Human Resources Department provides human resource management services through four key lines of business:

- Labour Relations, Classification, Compensation and Policy
- Organizational Development and Employment
- Occupational Health, Safety and Prevention
- Human Resource Information and Systems.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Human Resources	2,088.2	2,037.5	**2,179.1**	90.9	4.4

Staff Complement

Full Time Equivalents	**2004**	**2005**	**2006**
Permanent	22.0	22.5	22.5
Casual	0.5	-	-
Total	22.5	22.5	22.5

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	2,088.2
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefits costs, and the general increases and negotiated settlements for 2004, 2005 and 2006.	95.2
2. Other cost changes.	(4.3)
2006 Budget	2,179.1

Legal Department

Overview

The City Solicitor is directed by The Regina Administration Bylaw 2003-69 to provide legal services to the Corporation and to ensure the administration of the City is in accordance with the law in all aspects of corporate governance and corporate undertakings. The services provided by the Legal Department include:

- The Legal Services Division provides all legal services for the Corporation, including representation in legal proceedings, and some legal services to the Regina Police Service and Buffalo Pound Water Administration Board.
- The Prosecutions Division prosecutes all bylaw offences in the city, except moving traffic violations, and some provincial offences, and administers the Regina Municipal Division of Provincial Court.
- The Risk Management Division is responsible for oversight of risk management for the Corporation. This includes investigating and adjusting all claims against the City, investigating and pursuing compensation for damage to civic property, reviewing and recommending loss prevention measures and ensuring appropriate insurance coverage is in place to protect the Corporation from financial loss.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Legal Services	1,179.5	1,196.6	**1,320.0**	140.5	11.9
Prosecutions	140.4	142.1	**147.3**	6.9	4.9
Claims Administration	186.3	202.4	**198.8**	12.5	6.7
Insurance	876.0	891.1	**813.6**	(62.4)	(7.1)
Total	2,382.2	2,432.2	**2,479.7**	97.5	4.1

Staff Complement

Full Time Equivalents	**2004**	**2005**	**2006**
Permanent	19.0	19.0	19.0
Casual	-	-	1.0
Total	19.0	19.0	20.0

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	2,382.2
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs, and the general increases for 2004, 2005 and 2006.	216.7
2. Increase for an articling student.	32.9
3. Decreased insurance cost.	(62.4)
4. Allocation of cost of the legal services to Police.	(100.0)
5. Other cost changes.	10.3
2006 Budget	2,479.7

Finance Department

Overview

The Finance Department is responsible for the financial administration of the City of Regina. The Director of Finance is the Chief Financial Officer for the City of Regina, with the authority, duties and responsibilities as set out in The Regina Administration Bylaw 2003-69. The Department includes the following Divisions:

- The Assessment Division is responsible for assessing all properties in accordance with *The Cities Act* and the assessment manual adopted by the Saskatchewan Assessment Management Agency.

- The Revenue Administration Division is responsible for assessment and property tax administration. The Division also is responsible for the administration of other corporate revenues including water, wastewater and drainage charges, licenses (business, taxi, bike, dog and cat), parking tickets, local improvements and amusement tax.

- The Financial Administration Division is responsible for corporate accounting, financial reporting, processing payrolls and accounts payable, managing disbursements and certain receivables, acquisitions and providing financial administration support to several of the major operating Departments.

- The Corporate Budget Division is responsible for co-ordinating the development of and monitoring the operating and capital budgets of the City of Regina.

- The Debt and Investment Division is responsible for providing support to and managing the work of the Pension Investment Board, managing the investment of City funds, and managing the City's debt requirements. The Pension Investment Board is contracted by the administrative boards of the various pension and benefit plans to manage the investments of those plans.

The budget for the Finance Department also includes the following:

- Animal Care and Control – The Regina Humane Society enforces dog and cat bylaws pursuant to a contract with the City. The budget also includes funding for a low cost spay and neuter program.

- Provincial Payments – The Province requires the City to pay $320,000 per year for court security, in addition to an administration fee of 25% on fines collected through the Provincial Court.

- Other Financial Charges include costs for banking services, foreign exchange, interest, credit card fees, bond rating fees, levies on City-owned property and certain benefit costs.

Operating Expenditure Summary ($000's)

Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Administration	228.3	212.0	**245.6**	17.3	7.6
Corporate Budget	199.6	128.0	**223.5**	23.9	12.0
Investment Services	326.4	269.1	**327.6**	1.2	0.4
Assessment	1,642.2	1,659.0	**1,772.2**	130.0	7.9
2005 Reassessment	563.5	629.7	**169.0**	(394.5)	(70.0)
Revenue Administration	2,482.5	2,363.5	**2,658.5**	176.0	7.1
Financial Administration	4,044.8	4,000.1	**4,322.4**	277.6	6.9
	9,487.3	9,261.4	**9,718.8**	231.5	2.4
Animal Care and Control	303.6	318.3	**318.6**	15.0	4.9
Provincial Payments	874.6	977.5	**950.0**	75.4	8.6
Other Financial Charges	366.5	352.2	**387.6**	21.1	5.8
Total	11,032.0	10,909.4	**11,375.0**	343.0	3.1

Staff Complement

Full Time Equivalents	2004	2005	2006
Permanent	130.5	130.0	130.0
Casual	8.8	8.4	4.2
Total	139.3	138.4	134.2

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	11,032.0
1. Salaries & Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs, and the general increases and negotiated settlements for 2004, 2005 and 2006.	610.8
2. Reduction in the budget for the 2005 reassessment 234.1 and 329.4 for new assessment and tax system.	(563.5)
3. Increase for 2009 Reassessment.	169.0
4. Decrease in investment management fees based on 2005 actual costs.	(25.2)
5. Increase in system and processing support.	37.9
6. Increase for implementation of SPL Maintenance Management Project.	25.0
7. Increase Veterinary Fees for the Spay and Neuter Program to reflect actual participation in program over the last two years (CR05-172).	15.0
8. Increase in the Province's fine administration cost due to a projected increase in fines.	75.4
9. Increased levies on City properties.	20.0
10. Other cost changes - primarily reductions in printing, photocopying and office supplies.	(21.4)
2006 Budget	11,375.0

Corporate Services Department

Overview

The Corporate Services Department is primarily focused internally to provide services to other departments within the Corporation. Many of the initiatives being undertaken have significant corporate implications. Those initiatives include fleet rationalization, facilities strategic plans, records management system, eGovernment strategy, real estate services and corporate communication. Divisions include:

- Administration – The Director is responsible for strategic direction to the seven divisions to ensure the efficient and effective operation of Corporate Services. The goals and objectives of the department are aligned with overall Corporation priorities.

- City Clerk's Office – *The Cities Act* outlines responsibilities for the City Clerk. Duties include ensuring Council is advised of its legislative responsibilities, assuring the provision of public notice, the execution of corporate documents, maintaining bylaws, minutes and other records related to the business of City Council and Committees, consolidating bylaws, custody of the Corporate seal, ascertaining that official City Council correspondence is carried out as directed and determining the sufficiency of petitions.

  The City Clerk's Office also:

  - Allocates secretarial support to Councillors,
  - Provides secretarial and procedural support to City Council and assigned Committees,
  - Coordinates the Corporate Records Management Program,
  - Operates the City of Regina Archives,
  - Conducts municipal elections; and,
  - Processes information requests under *The Local Authority Freedom of Information and Protection of Privacy Act.*

- Facilities and Energy Management – Provides the space planning, construction project management, physical plant maintenance and the day-to-day operation of City-owned facilities. The division also provides for the corporate energy management and air quality programs, the electricity and natural gas utility program, the sustainable community development program, Central Stores, Salvage and Fuel Programs and the Natural Gas Vehicle Program.

- Fleet Services – Supports the delivery of City programs and services (excluding Fire, Transit and Police) by providing fleet management maintenance and operator services.

- Information Systems – Coordinates the development, implementation, operation and support of information technology and computerized applications used by the City. The division also provides leadership in the integration, security and sharing of data while ensuring privacy legislative requirements are met, and identifying new technology opportunities. This area provides corporate mail services and the delivery of electronic printing and copying.

- Real Estate – Provides real estate-related services for all City operations. This includes buying and leasing properties when required for City operations, selling or leasing City-owned properties, performing land development functions, and the sale of properties taken through tax enforcement. In addition, the division provides real estate information and services to local developers, real estate agents and City residents.

- Communications – Provides corporate communications advice and support to all City Departments, the City Manager and City Council with the ultimate purpose to communicate the programs and services offered by the City of Regina to the public, as well as to the City's partners and stakeholders.

- There is a seventh division, Pension and Benefits, funded through pension and long-term disability plans.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Administration	211.4	221.0	**218.3**	6.9	3.3
City Clerk's Office	1,135.6	1,129.2	**1,581.8**	446.2	39.3
Communications	1,268.2	1,400.3	**1,313.0**	44.8	3.5
Facilities and Energy Management	3,129.1	3,209.4	**3,416.4**	287.3	9.2
Information Systems	5,537.2	5,243.5	**6,022.0**	484.8	8.8
Total	11,281.5	11,203.4	**12,551.5**	1,270.0	11.3

Staff Complement

Full Time Equivalents	**2004**	**2005**	**2006**
Permanent	167.7	167.7	169.7
Casual	17.4	17.6	17.7
Total	185.1	185.3	187.4

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	11,281.5
1. Salaries & Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs, and the general increases and negotiated settlements for 2004, 2005 and 2006.	496.4
2. Delete 2005 Specials	(268.9)
3. Electrical and natural gas costs.	42.1
4. Software Maintenance.	107.0
5. Remove graffiti from City assets and address bus shelter vandalism.	35.0
6. Addition - One Tonne Challenge Coordinator.	57.0
7. Addition - Fire CAD standby.	27.0
8. Addition - Project Management Analyst.	37.5
9. Addition - TAS Support Analyst (Tax and Assessment System).	100.0
10. Addition - Mayor's State of the City Pamphlet.	10.0
11. Special - Municipal School Board election.	306.6
12. Special - Aerial Photos.	50.0
13. Special - Completion of eGovernment initiatives started in 2005.	40.0
14. Special - Completion of Web Writing initiative started in 2005.	15.0
15. Special - Additional costs for implementation of SPL Maintenance Management System.	88.0
16. Special - Wireless Project Manager.	75.0
17. Other cost changes.	52.3
2006 Budget	12,551.5

Fire Department

Overview

The Fire Department actively supports a safe living and working environment for the community of Regina and surrounding areas through planning, education, prevention and emergency response, with the services delivered by highly skilled and motivated professionals. The Fire Department's overall strategy is consistent with City Council's long-range vision statement for Regina, with a focus on enhancing fire prevention and public education activities while continuing to deliver a high-quality emergency response program. The Department is also committed to achieving ongoing service improvements through organizational and technological changes and by exploring the opportunities identified in the Core Services Review.

The Fire Department's strategic plan identifies four goal areas:

- Effective communication among department personnel.
- Continuously improve and expand service.
- Develop and enhance relationships with customers, community partners and other City Departments.
- Minimize the number and severity of emergency responses.

The Fire Department services an area of approximately 118 square kilometers. Emergency response services also extend beyond civic boundaries to surrounding municipalities. In addition to fire suppression, public education and fire prevention services, the Department provides training, emergency medical services, fire inspection and investigation, code enforcement, mitigation of hazardous materials or catastrophic incidents and specialized rescue services. Services are provided 24 hours a day, 7 days a week. The Regina Fire Department's diverse services are supported by a fleet of 18 fire apparatus (13 front line and 5 spare apparatus) and 9 fire facilities.

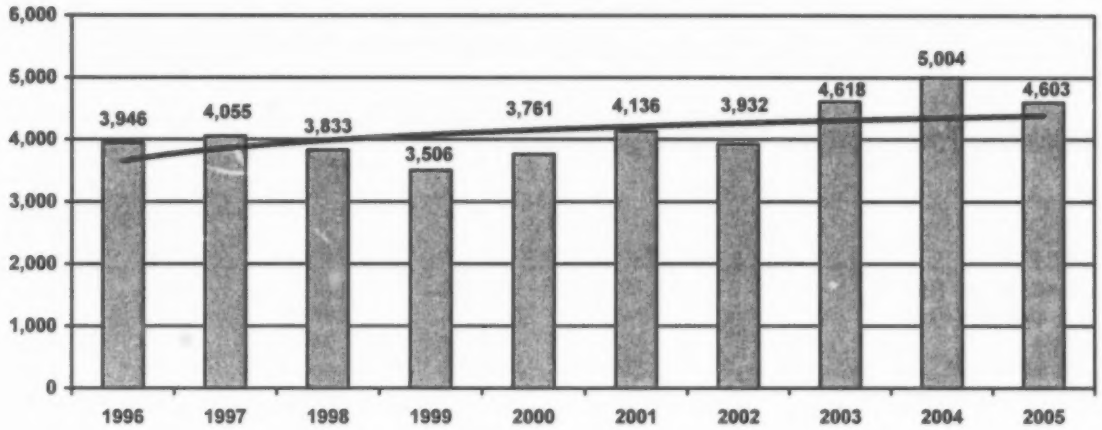
Total Number of Dispatches

Dispatches	2001	2002	2003	2004	2005
Fire Related	2,272	1,947	2,325	2,386	2,366
Non-Emergency Investigations	1,172	1,191	1,395	1,610	1,307
Blue Jaws (Auto Extrication)	139	146	166	198	178
EMS (Medical Assist)	465	564	648	748	683
Blue Water (Water Rescue)	12	7	3	6	2
Hazardous Material	68	69	75	54	62
Technical Rescue	8	8	6	2	5
Emergency Subtotal	4,136	3,932	4,618	5,004	4,603
Advised (monitoring)	8	38	9	4	-
Public Education	377	573	432	477	434
Training	396	439	452	439	314
Total Dispatches	4,917	4,982	5,511	5,924	5,351

In 2000, the Fire Services Review was completed and approved by City Council. The Review evaluated Regina's structural fire response program and outlined 17 recommendations to improve the Regina Fire Department's three basic service areas; Fire and Life Safety Services; Fire and Emergency Response

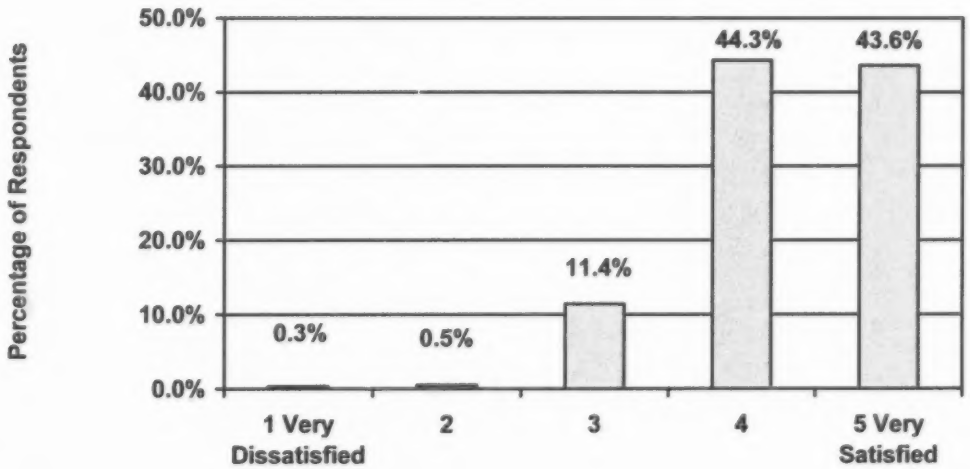
Services and Fire Support Services. The 17 recommendations have been prioritized for introduction in the Department's short, medium and long-term work plan. The following graph details the trend in emergency incident responses (fire suppression, rescue, hazardous materials and emergency medicine) since 1996.

Number of Emergency Incidents



The City of Regina annually conducts a public survey. The survey includes questions related to specific services. The results of the 2005 survey (which involved 526 respondents), used a new five point response scale, with stongly held opinions representd by 1 on the "negative" side and by 5 on the "positive" side of the scale. The midpoint of the scale is 3. Respondents rated the job done by the Regina Fire Department the highest among all City services with an unusually high rating.

Rating of Fire Services



The Department's demographics indicate an increasing number of personnel will become eligible for retirement between 2006 and 2015. The anticipated increase in staff turnover requires a growing emphasis in areas such as staff development, career path planning and succession planning. Preparing for the Department's future through the Officer Training Program will continue to be a high priority to ensure all personnel are trained, competent, and well prepared prior to their appointments. As well, the increased staff turnover also requires an increased emphasis in staff dvelopment to ensure that all functions of the fire service are sustained at the required levels of competence. These initiatives will add to the existing staffing demands that are required in maintaining the City's service levels for the fire service. In addition, timely recruitment processes are employed to ensure adequate staffing is available to maintain service levels.

Operating Expenditure Summary ($000's)

				Change 2005 to 2006	
Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Dollar Change	Per Cent Change
Suppression and Rescue	20,786.5	21,466.8	**22,429.1**	1,642.6	7.9
Fire Support Services	1,946.8	2,060.1	**2,079.0**	132.2	6.8
Training	507.9	518.6	**540.1**	32.2	6.3
Public Education	282.5	301.9	**309.1**	26.6	9.4
Inspection and Investigation	716.6	632.2	**761.4**	44.8	6.3
	24,240.3	24,979.6	**26,118.7**	1,878.4	7.7
Facility Costs[1]	369.4	340.2	**376.1**	6.7	1.8
Total	24,609.7	25,319.8	**26,494.8**	1,885.1	7.7

Note:

1. *Facility costs are allocated from the Facilities & Energy Management Division of the Corporate Services Department.*

Staff Complement

Full Time Equivalents	**2004**	**2005**	**2006**
Permanent	289.0	289.0	289.0
Casual	0.5	0.5	-
Total	289.5	289.5	289.0

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	24,609.7
1. Salaries & Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs, and the general increases and arbitrated settlements for 2004, 2005 and 2006.	1,855.1
2. Fuel and Gas price increase.	21.5
3. Facility Costs - Increase in costs allocated from Corporate Services Department for facility maintenance and operations.	6.7
4. Other changes.	1.8
2006 Budget	26,494.8

Community Services Department

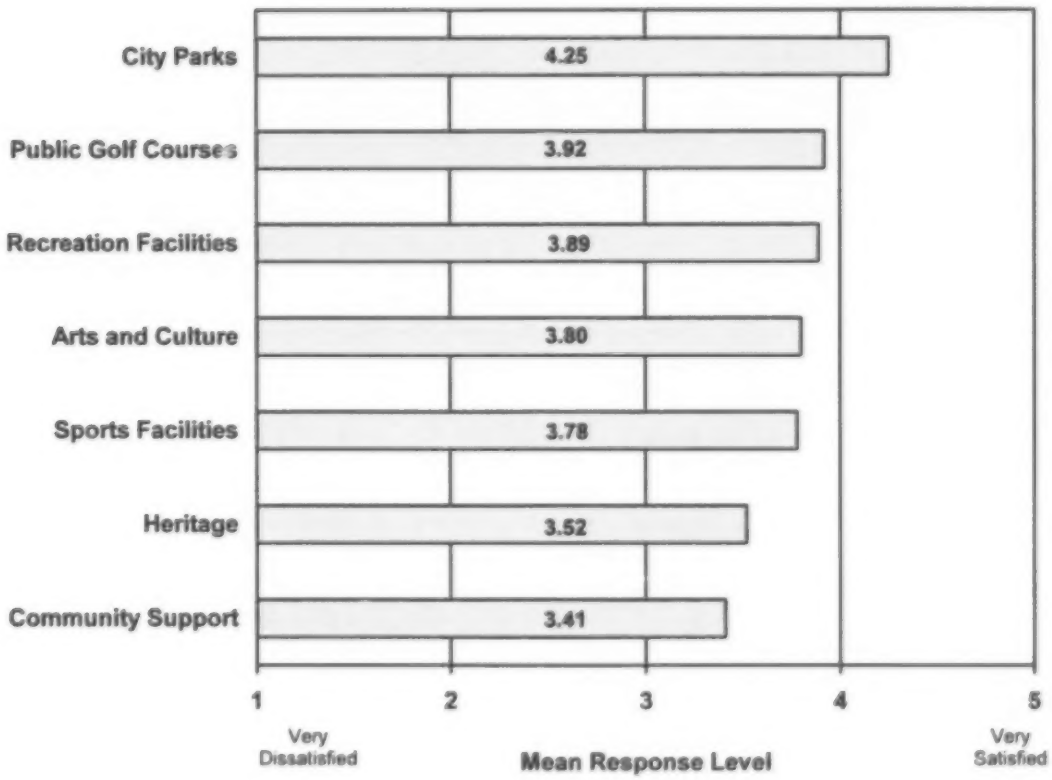
Overview

Community Services Department program and services include General Administration, Project Services and Landscape Design, Community and Leisure Services, Parks and Open Space Maintenance (including Golf Courses and Cemeteries), Bylaw Enforcement, Building Inspections and Urban Planning (including Housing).

On a regular basis, the City of Regina gathers information from citizens with respect to services provided. Respondents were asked to rate their level of satisfaction for various City services on a five-point scale.

The 2005 survey included questions about a number of services among those delivered by the Community Services Department. Among City services in a range of categories, the one that is used most by far – City Parks – is also the highest rated. All service areas identified in the survey enjoy a high level of satisfaction among residents.

Are you satisfied or dissatisfied with the following City Services?



Operating Expenditure Summary ($000's)

Expenditures	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Administration	314.4	309.2	**341.9**	27.5	8.7
Project Services & Landscape Design	771.3	740.5	**826.5**	55.2	7.2
Community and Leisure Services:					
Arts, Culture and Heritage	523.0	492.7	**212.6**	(310.4)	(59.3)
Facility and Program Delivery[1]	7,642.8	7,270.1	**8,004.1**	361.3	4.7
Skating Programs[1]	2,591.3	2,543.0	**2,683.1**	91.8	3.5
Outdoor Athletic Surfaces[1]	707.2	631.8	**737.5**	30.3	4.3
Community and Social Development[1]	2,223.3	2,064.6	**2,192.4**	(30.9)	(1.4)
Parks and Open Space Management:					
Open Space Management[1]	8,199.4	7,729.9	**8,728.6**	529.2	6.5
Streetscape	1,365.6	1,280.6	**1,486.1**	120.5	8.8
Pest Management	1,139.4	997.6	**1,186.9**	47.5	4.2
Golf Courses[1][2]	2,426.3	2,202.0	**2,314.3**	(112.0)	(4.6)
Cemeteries[1][3]	961.6	890.2	**896.9**	(64.7)	(6.7)
Bylaw Enforcement	1,167.7	1,174.6	**1,280.4**	112.7	9.7
Building Inspections	1,253.2	1,225.8	**1,336.7**	83.5	6.7
Urban Planning:			-		
Urban Planning	1,364.3	1,303.1	**1,425.9**	61.6	4.5
Housing	216.2	335.2	**459.2**	243.0	112.4
Total	32,867.0	31,190.9	**34,113.1**	1,246.1	3.8

Notes:

1. *The budget for the programs includes the budget managed through the Community Services Department along with facility costs. Facility costs are allocated from the Facilities and Energy Management Division of the Corporate Services Department.*
2. *The amounts for Golf Courses include the transfer to the Golf Course Reserve. There was a transfer of $199,024 in 2005 (Budget of $187,100) and a budget of $67,800 for 2006.*
3. *The amounts for Cemeteries include the transfer to the Cemetery Reserve. There was a transfer of $34,136 in 2005 (Budget of $115,900) and no budget for a transfer in 2006.*

Staff Complement

Full Time Equivalents	2004	2005	2006
Permanent	190.5	191.5	194.5
Casual	162.9	164.0	167.3
Total	353.4	355.5	361.8

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	32,867.0
1. Salaries & Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs, and the general increases and negotiated settlements for 2004, 2005 and 2006.	927.9
2. Delete 2005 Specials.	(882.7)
3. Facility Costs - Increase in allocated costs for facility maintenance and operations.	343.4
4. Wascana Centre Authority - Increase to the City's maintenance portion of the budget.	80.0
5. Equipment Changes - Increase in costs for vehicles and equipment.	49.2
6. Mosquito Control cost sharing program. Provincial Government grant funding provides for an enhanced mosquito control program.	280.1
7. Market Researcher - Funding for an additional position (Permanent 1.0) to define customer expectations, assess customer satisfaction with existing programs and facilities and build a division-wide customer service strategy. Funding is provided for six months.	25.0
8. Athletic Field Maintenance - Funding to maintain fields at standards approved by Council pursuant to the Athletic Field Study (Casual 0.4 FTE).	20.0
9. New Open Space - Increase required to maintain public park and open space that will be added to the City inventory in 2006.	95.0
10. Irrigation Devices - Funding to service backflow prevention devices (Casual 0.5 FTE).	20.0
11. Tree Pruning - Increase funding to prune elm trees within approved pruning cycle.	25.0
12. Housing Standards Inspector - Funding for an additional position (Permanent 1.0 FTE) would provide the focus for the investigation of complaints, initiations of inspections and enforcement of regulations. This will be offset by provincial funding for RRAP and inspections under provincial rental supplement program.	65.4
13. Building Inspection - Funding for an additional Mechanical Inspector (Casual 1.0 FTE) to address the increase in building permit activity. Funding is provided for six months.	39.9
14. Business System Analyst - Funding for an additional position (Permanent 1.0 FTE) to accommodate the development and implementation of the RAPID (Responsive Applications and Permits Information Database) and provide support to the Building, Urban Planning and Bylaw divisions of the department. Funding is for six months.	12.9
15. Asset Management System Integration Project - Funding for a Business System Analyst (Casual 1.0 FTE) to complete the coordination and implementation of this system.	64.0
16. Cultural Capitals of Canada - Funding required to complete the project commitments. This is the final portion of the project and will be offset by funding from the Federal Government.	23.0
17. Regina Inner City Community Partnership - Funding required for a term coordinator (Casual 1.0 FTE) to continue the Regina Inner City Community Partnership Program which will be jointly funded by the Federal Government and the City.	57.0
18. RAPID Project - Funding for a Data Input Clerk position (Casual 0.5 FTE) to continue in the entering and converting of urban planning data. Funding is provided for six months.	16.1

Operating Budget Change Details	($000's)
19. Housing - Affordability and Choice Today (ACT) program - Funding required to apply to this program which identifies and promotes existing case studies developed by ACT that are relevant to improved housing in Regina. Costs will be offset by funding from the Federation of Canadian Municipalities.	5.0
20. Regina Solar Affordable Housing Project - Funding to complete the publication and promote the results of the project. Costs will be offset from CMHC funding.	10.0
21. Core Sustainable Neighbourhood Feasibility Study - Funding is required to enter into an application with the Federation of Canadian Municipalities to proceed with this study.	220.0
22. Decrease in the transfer to Golf Course Reserve - The transfer is calculated based on revenues less expenditures, including an allocation for administration costs.	(119.3)
23. Decrease in the transfer to Cemetery Reserve - the transfer is calculated on revenues less expenditures less an allocation for indigent burial plots.	(115.9)
24. Other cost changes.	(14.9)
2006 Budget	34,113.1

Transit Department

Overview

The Transit Department provides safe, reliable, affordable and accessible transportation in support of Council's vision for inclusiveness, accessibility, affordability and environmental sustainability. Services include:

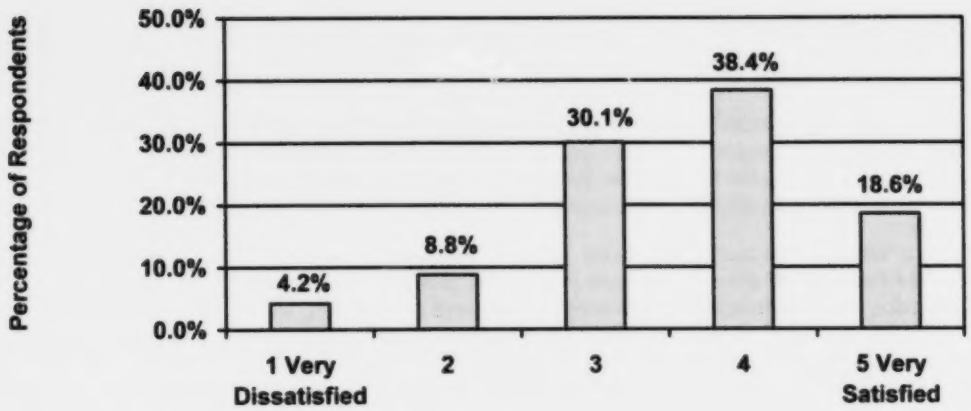
- The Public Transit Service provides transportation for Regina residents and visitors. Service is provided through a regularly scheduled, fixed route transit system.
- The Paratransit Service provides transportation to persons with disabilities who are unable to use public transit. The service is a scheduled, shared ride, door-to-door service.

In the provision of the Public Transit and Paratransit Service, the Transit Department is committed to:

- Maintaining vehicles in a clean and safe operating condition.
- Ensuring positive operator/passenger relations.
- Developing Paratransit strategies for persons unable to use the Public Transit service.
- Enhancing personal and professional development of staff.
- Operating charter services.
- Developing and utilizing efficient administrative procedures.
- Ensuring adherence to approved budget and accounting practices.
- Working towards operating a public transit system that is fully accessible to people with mobility difficulties.
- Working towards City Council's goal to "reduce greenhouse gas emissions that result from municipal operations by 20% of 1990 levels by 2005 and a further reduction of 1% each year thereafter until 2012".

Providing sustainable public transportation services while minimizing the impact on the global environment is a key public transportation goal. On a regular basis, the City of Regina gathers information from citizens with respect to services provided. The following table indicates how those surveyed view transit services.

Rating of Transit Services



Operating Expenditure Summary ($000's)

Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Public Transit:					
Transit Operations	11,211.2	11,071.2	**12,285.9**	1,074.7	9.6
Maintenance of Vehicles	2,458.3	2,301.0	**2,530.2**	71.9	2.9
Transit Administration	1,012.1	1,030.5	**1,086.9**	74.8	7.4
Information Centre	175.2	162.4	**183.1**	7.9	4.5
Marketing and Research	132.4	117.7	**132.4**	-	-
Training	133.1	111.9	**140.1**	7.0	5.3
Transfer to Equipment Reserve	-	22.0	**19.8**	19.8	-
	15,122.3	14,816.7	**16,378.4**	1,256.1	8.3
Paratransit	2,866.1	2,846.0	**2,995.7**	129.6	4.5
	17,988.4	17,662.7	**19,374.1**	1,385.7	7.7
Facility Costs[1]	662.9	607.0	**677.0**	14.1	2.1
Total	18,651.3	18,269.7	**20,051.1**	1,399.8	7.5

Note:

1. *Facility costs are allocated from the Facilities & Energy Management Division of the Corporate Services Department.*

Staff Complement

Full Time Equivalents	2003	2004	2005	2006
Permanent	219.0	219.0	219.0	224.0
Casual	2.4	2.8	2.8	2.8
Total	221.4	221.8	221.8	226.8

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	18,651.3
1. Salaries and Benefits - Includes cost changes resulting from salary increases, merit increases, classification reviews, employer benefit costs, and negotiated settlements for 2004, 2005 and 2006. It also includes the provision of five bus operator positions with a corresponding decrease in over time costs for 2006.	690.9
2. Paratransit Contract - The contracts provide for rate increases to June 30, 2008. The delivery of the Paratransit Service is managed through two contracts. One contract provides for the operation and maintenance of City-owned lift-equipped buses. The rate will increase July 1, 2006 from $34.59 to $35.63 for each hour of service provided. The second contract provides for the supply, operation and maintenance of minivans to deliver Paratransit Services. The rate will increase July 1, 2006 from $31.42 to $32.36 for each hour of service provided.	91.0
3. Fuel - In 2005 the price of fuel increased by 26%. This increase reflects the cost adjustment required on the current annual fuel consumption.	540.0
4. Tire Lease Cost - In September 2005, a contract was approved for the lease of tires to September 30, 2010. The annual increase will be adjusted by the Consumer Price Index for each year of the contract.	38.1
5. Security - To provide security services to the downtown main transit transfer points on 11th and 12th Avenues.	15.6
6. Facility Costs - Decrease in costs allocated for facility maintenance and operations.	14.1
7. Other cost changes	10.1
2006 Budget	20,051.1

Engineering and Works Department

Overview

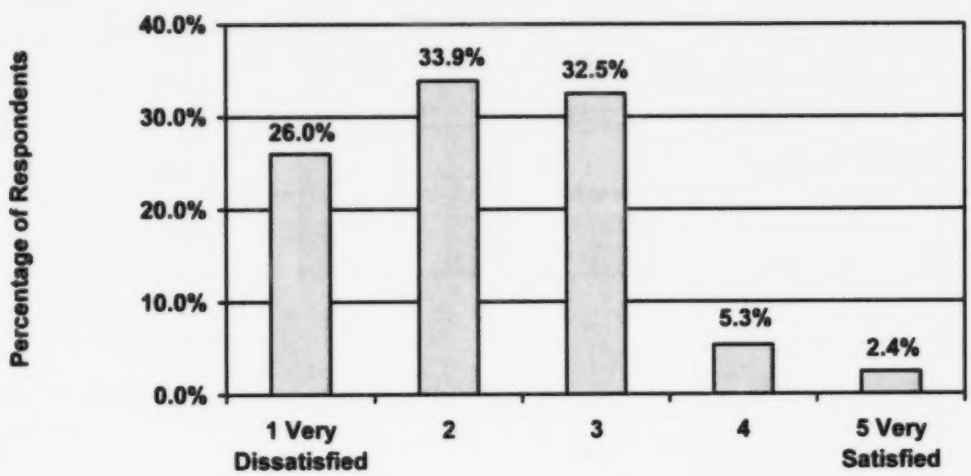
The Engineering and Works Department is responsible for the planning, design, construction, operation and maintenance of the following services:

- Streets, alleys, bridges and sidewalks including the management of traffic to ensure the effective use of the transportation system.
- Supply and distribution of water.
- Collection and disposal of wastewater.
- Routing and control of surface drainage.
- Waste collection and disposal.

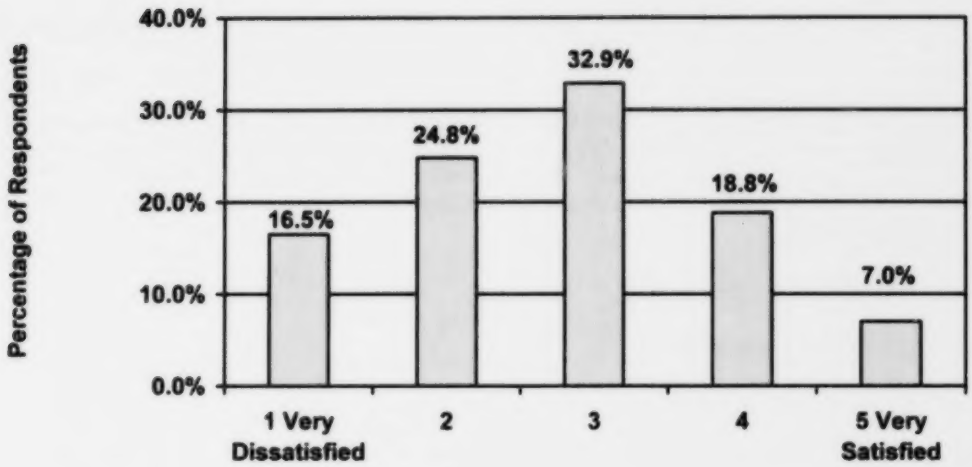
The water, wastewater and drainage services are delivered through the Water and Sewer Utility Budget and are not included in the General Operating Budget.

On a regular basis, the City of Regina gathers information from citizens with respect to services provided. The following tables indicate how those surveyed view services provided by the Engineering and Works Department.

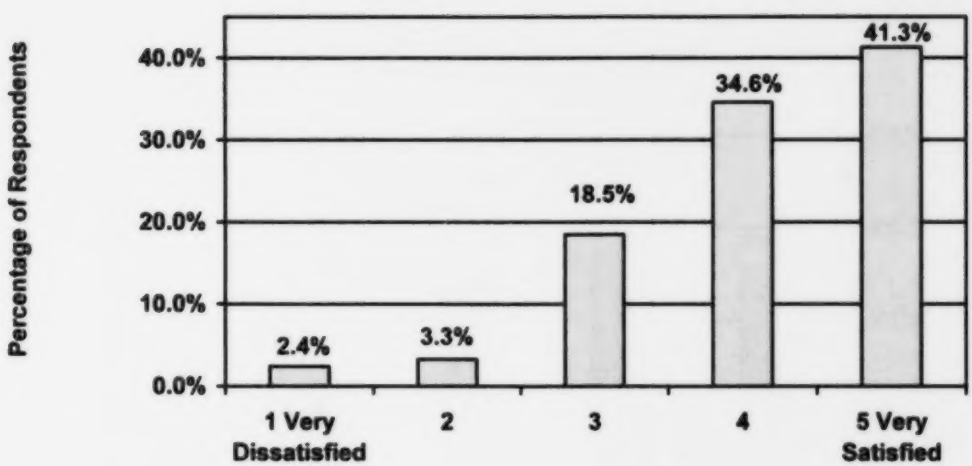
Rating of Street and Roads



Rating of Snow Ploughing Services



Rating of Garbage Removal Services



Operating Expenditure Summary ($000's)

Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Administration	1,467.2	1,571.4	**1,531.1**	63.9	4.4
Development & Technical Services	988.2	1,016.7	**1,059.5**	71.3	7.2
Roadways and Traffic:					
Roadways Engineering	672.5	677.5	**944.7**	272.2	40.5
Roadways Administration	1,960.7	1,954.5	**2,060.6**	99.9	5.1
Roadways Operations	3,492.3	3,139.1	**3,400.6**	(91.7)	(2.6)
Street Sweeping	766.3	832.4	**819.1**	52.8	6.9
Winter Road Maintenance	2,740.6	3,816.1	**3,000.0**	259.4	9.5
Maintenance of Alleys	2,741.5	2,534.0	**2,761.8**	20.3	0.7
Traffic Engineering	894.9	864.0	**732.7**	(162.2)	(18.1)
Traffic Operations	2,074.9	2,083.1	**2,140.1**	65.2	3.1
Street Lighting	3,278.7	3,268.3	**2,804.0**	(474.7)	(14.5)
Waste Management:					
Environmental Engineering	409.4	374.5	**435.9**	26.5	6.5
Solid Waste Administration	760.4	929.1	**837.1**	76.7	10.1
Residential Collection	2,397.0	2,513.9	**2,608.2**	211.2	8.8
Commercial Collection	268.4	274.7	**308.3**	39.9	14.9
Landfill Operations	1,263.6	1,746.5	**1,556.6**	293.0	23.2
Waste Minimization	539.4	484.7	**550.8**	11.4	2.1
Transfer to Landfill Reserve	3,218.3	2,634.0	**3,256.6**	38.3	1.2
	29,934.3	30,714.5	**30,807.7**	873.4	2.9
Facility Costs[1]					
Administration, Roadways & Traffic	286.5	261.8	**296.2**	9.7	3.4
Waste Management	161.0	145.3	**164.9**	3.9	2.4
	447.5	407.1	**461.1**	13.6	3.0
Total	30,381.8	31,121.6	**31,268.8**	887.0	2.9

Note:

1. *Facility costs are allocated from the Facilities and Energy Management Division of the Corporate Services Department.*

Staff Complement

Full Time Equivalents	2004	2005	2006
Permanent	179.0	183.5	182.8
Casual	57.3	55.7	58.6
Total	236.3	239.2	241.4

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	30,381.8
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs and the general increases and negotiated settlement for 2004, 2005 and 2006. The negotiated increase for 2006 is 1.5%. Additional funding is also required as a result of increases provided for 2004 and 2005.	867.5
2. Delete 2005 Specials - Includes one time funding provided in 2005 for alley maintenance and the Southeast and Southwest Sector Plan Transportation Impact Studies.	(275.0)
3. Fleet Costs - Increase in equipment expenses due to the increased costs of fuel, fleet garage expenses and depreciation charges as vehicles and equipment are replaced.	109.4
4. Administrative Support - Funding to meet an increased demand for administrative support in Engineering and Works. A Clerk Typist III is added, offset in part by eliminating existing funding for casual staff. The position will primarily support the Sewage Treatment Plant. It is being funding 75% by the General Utility Budget and 25% by the General Operating Budget. (Increase 0.25 permanent fte)	4.8
5. Southeast Sector Plan Transportation Impact Study - Funding for the completion of the study started in 2005.	55.0
6. Southwest Sector Plan Transportation Impact Study - Funding for the completion of the study started in 2005.	60.0
7. Transportation Planning Model Upgrade - Funding to update the City's travel demand model. The model is a stragetic analysis tool used to establish and support the Regina Development Plan, Sector Plans, and the Regina Road Network Plan. It also helps achieve the Regina's Transportation Strategy objective to promote land use that supports a sustaintable transportation system. The total cost of the upgrade is $250,000 with $50,000 allocated in 2006 and $200,000 proposed for 2007.	50.0
8. Pavement Patching - Funding for the increased expenses related to addressing defects primarily on high speed roadways. (Increase 0.3 casual fte)	30.0
9. Alley Maintenance - In 1996 City Council approved a ten year alley maintenance strategy. Alley maintenance is funded through a special tax levied on abutting property owners. The levy increase is 3% for 2006 and will allow the strategy to be fully implemented. (Increase 2.0 casual fte)	70.3
10. Traffic Counting Program - Funding to extend the program to meet demands created by city growth as well as changes to the type and quantity of data that is needed. The data collected is used to prioritize snow clearing, plan emergency response routes, determine the need for new traffic signs and signals, design traffic calming devices, review and approve application for new development and assess the need for capacity and safety improvements.	11.0
11. Street Lighting - Decrease in electricity costs for existing street and alley lights due to SaskPower rate reductions to bring rates in line with actual costs.	(474.7)
12. Residential Solid Waste Collection Expansion - Funding to accommodate city growth of approximately 500 new houses. (Increase 1.1 casual fte)	60.0
13. Condominium Rebate - Increased funding required due to increased condominium development.	50.0

Operating Budget Change Details	($000's)
14. Landfill Gas Control - A new landfill gas collection and control system will be installed in 2006. This is a new and technically sophisticated operation and will require new staff and other resources. (Increase 1.0 permanent fte)	77.5
15. Big Blue Bin Program - Additional funding is required to meet increased costs of the Big Blue Bin hauling contract which has an escalation clause for 2006.	30.0
16. Landfill Small Vehicle Transfer Station - Full year funding for the small vehicle transfer station which was opened 2005.	75.0
17. Landfill Reserve Transfer - The transfer equals the net revenue for the landfill operation plus an amount for residential waste equal to the cost of the landfill rates applied.	38.3
18. Facility Costs - Increase in the facility maintenance and operation costs.	13.6
19. Other cost changes.	34.3
2006 Budget	31,268.8

Costing Fund Budget Summary

Overview

The Costing Fund was established to account for operations that are not part of either the General Fund or the Water and Sewer Utility Fund. The Costing Fund includes:

- Real Estate, which includes all real estate-related services for the City. This includes buying and leasing properties when required for City operations, selling or leasing City-owned properties, performing land development functions, and the sale of properties taken through tax enforcement.

- Facilities and Energy Management, which includes the day-to-day operation and maintenance of City-owned facilities along with Central Stores and the Fuel/Lube Centre, including the Natural Gas Vehicle Program.

- Fleet Services, which includes fleet management and maintenance services for the City's fleet excluding that of Transit, Police and Fire.

- The Print Services and Computer Leasing operations in Information Systems. Print Services is an in-house print shop, with the objective of providing quality output in a timely and cost effective manner. This includes responsibility for output devices (copiers, multi-functional and networked printers) and desktop computers.

- Roadways Operations – this operation provides for the maintenance and repair of roadway and sidewalk cuts made for the City water and sewer operations. The costs of the repairs are charged to the Water and Sewer Utility Budget.

- Granular Materials Supply and Asphalt Plant Operations – the purpose of Granular Materials Supply Section is to purchase, inventory and process granular materials, soils and other landscape products and recycled materials such as steel slag, crushed concrete and crushed asphalt. The Asphalt Plant produces a variety of asphalt mixes for paving, cut repair and patching.

- Open Space Landscape – this operation provides landscape services, with the costs charged to operating or capital budgets within Community Services and other Departments, or in some instances to external organizations.

Pursuant to the policy of City Council, the net revenue generated by Real Estate is transferred to the General Fund Reserve. The net revenue can vary substantially due to the volume of land sales.

For other operations in the Costing Fund, the purpose of the costing fund is to function as a cost distribution mechanism. All of the costs are allocated to other operating and/or capital budgets.

Costing Fund Expenditure Summary ($000's)

Expenditures	2005 Budget	2005 Actual	**2006 Budget**	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Corporate Services:					
Facilities & Energy Management	4,989.1	5,618.3	**5,474.5**	485.4	9.7
Fleet Services	12,065.7	12,067.9	**13,371.0**	1,305.3	10.8
Information Systems	1,633.6	1,649.1	**1,549.8**	(83.8)	(5.1)
Real Estate	494.3	1,978.2	**663.0**	168.7	34.1
	19,182.7	21,313.5	**21,058.3**	1,875.6	9.8
Engineering and Works:					
Granular Material & Asphalt Plant	3,514.8	2,890.4	**3,718.0**	203.2	5.8
Roadway Operations	952.6	1,132.4	**1,251.7**	299.1	31.4
	4,467.4	4,022.8	**4,969.7**	502.3	11.2
Community Services:					
Open Space - Landscape	1,261.5	807.1	**1,319.1**	57.6	4.6
	24,911.6	26,143.4	**27,347.1**	2,435.5	9.8

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Regina

CITY OF REGINA

2006 BUDGET

Water and Sewer Utility Budget

- As Approved by City Council -

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CITY OF REGINA

Office of the City Manager
May 8, 2006

To: His Worship the Mayor,
and Members of City Council

Re: Water and Sewer Utility Budget

Each year City Council is required to adopt an operating and capital budget. There are three components to the budgets, the General Operating Budget, the Water and Sewer Utility Operating and Capital Budget and the General Capital Program. **This document is the Water and Sewer Utility Budget, including the 2006 Utility Operating Budget and the 2006 – 2010 Utility Capital Program as approved by City Council at its meeting on March 27, 2006.**

Budget Highlights

- Utility rates for 2006 were previously approved by City Council in 2004, when rates were adopted for 2005 through 2007. **For an average residential customer, the 2006 rates result in a 4.2% increase or about $2.84 per month. The increase for a sample commercial customer is 3.7% or about $16.15 per month.**

- **The rates previously approved for 2007 will result in increased revenues of about 4.3%.** Details on the rates for 2006 and 2007 are provided on pages 15 and 16 of this document.

- **As a result of the increased capital requirements, it is anticipated that rate increases in the range of 7% per year will be required for 2008, 2009 and 2010. The capital projections will be reviewed over the next year to eighteen months. A recommendation for rates for 2008, 2009 and 2010 will be provided to City Council in mid to late 2007, for implementation beginning in 2008.**

- **The 2006 Utility Operating Budget provides the funding necessary to meet Council's service objectives for water, wastewater and drainage.** The total 2006 operating budget for the utility, including debt repayment, is about $43.1 million, a decrease of $555,500 from the 2005 budget. The decrease results from a reduction in debt repayment costs. Operating costs, excluding debt repayment and interest, have increased by about $1.1 million or about 3.7%. The major reason for the increase is the negotiated agreements that provided for increased salaries in 2004, 2005 and 2006.

- The 2006 – 2010 utility capital program totals $164.7 million. In comparison, the total 2005 – 2009 utility capital program was about $104 million.

- **Capital cost projections in the current utility model are substantially higher than the projections used to develop the model last year.** Capital projections, excluding an inflationary adjustment, for the years 2006 through 2010, have increased from about $145.1 million to about $164.7 million, an increase of over 13%. For the period from 2006 to 2024, the total projected capital requirement has increased from $398.1 to $471.5 million, an increase of over 18%.

- **The 2006 – 2010 Capital Program proposes a total of $110 million in debt financing to meet the increased capital requirements - $30 million in 2008, $20 million in 2009 and $60 million in 2010.**

Public Reporting

In 2005, the Province adopted new regulations in Part V.1 of *The Cities Regulations* regarding Public Reporting on Municipal Waterworks. The regulations apply only to waterworks, however since the utility includes water, wastewater and drainage services, the information required by the regulations is provided for the entire utility. The information requirements include:

- Information on the rate policy and capital investment strategy as adopted pursuant to sections 22.3 and 22.4 of the regulations. The information required with respect to the City's rate policy is provided on pages 13 through 16 of this document. Information on the capital investment strategy is included in the Utility Capital Program Section of this document and in particular, the Infrastructure Overview Section starting on page 59.

- A financial overview providing the information outlined in the regulations. The data outlined in the regulations is included in the Financial Information Section of this document on pages 8 through 10. The regulations also require a comparison of the utility revenues to expenditures and debt payments, expressed as a ratio in accordance with the following formula:

$$\frac{\textbf{Revenues}}{\textbf{(Expenditures + Debt Payments)}}$$

  For 2006, based on the definitions in the regulations, the ratio for the Water and Sewer Utility is 1.32, based on revenues of $56,724,600, expenditures of $34,181,400 and debt repayments of $8,900,000. In accordance with the definition in the regulations, expenditures include the interest cost on the debt, while debt payments are the principal repayments on the debt.

  For 2006, the ratio indicates that revenues exceed expenditures and debt repayments by about 32%. By policy, the net revenue or surplus is used to fund transfers to the General Operating and General Capital budgets, with the balance used to fund future utility capital requirements. The ratio is projected to increase over the next five years as additional funding is generated to pay for the expansion to the wastewater treatment plant.

- Information on the current reserves and deferred revenue, capital plans for infrastructure projects and the sources of funding for the capital projects are detailed in the Utility Capital Program Section of this document starting on page 59.

Capital Requirements and Funding

Regina's location, in a sensitive natural environment far from a major water source impacts on the standards and costs for water supply and wastewater treatment and disposal. Additional information on the regional setting and the implications for Regina is provided in the Introduction Section of this document.

Federal and Provincial standards have been strengthened in recent years due in part to public concerns resulting from water quality problems in other communities. **Regina has been and will continue to be a leader in ensuring that utility operations adhere to standards and respect the environment. Regina's operators have met the certification requirements set out in regulations pursuant to *The Environmental Management and Protection Act*.** A continued commitment to training, reporting and monitoring is required.

The 2006 – 2010 utility capital program totals $164.7 million. Capital projections for the years 2006 through 2010 have increased from about $145.1 million (in the 2005 utility model) to $164.7 million, an increase of over 13%. **For the period from 2006 to 2024, the total projected capital requirement has increased from $398.1 to $471.5 million, an increase of over 18%.**

Future capital requirements include funding for the construction of an expansion to the Wastewater Treatment Plant to meet the Federal Government requirements under *The Canadian Environmental Protection Act* and *The Fisheries Act* as well as to comply with Saskatchewan Environment Regulations. Preliminary estimates used in the development of the 2005 utility model indicated that the total cost of the expansion would be about $73 million. In 2005, the Sewage Treatment Planning Study was completed. The study provided detailed cost estimates totaling about $110 million for the construction of the plant and related improvements. The cost of the work that must be done in the initial phase and in service by 2010 to satisfy the regulatory requirements is $85 million. In addition, an estimated $25 million will be required after 2010 to ensure that the regulatory requirements continue to be met. This work will include refurbishing digesters, converting the existing lagoons to wet weather attenuation cells, and refurbishing the UV disinfection plant. The increase in cost results from several factors:

- **There have been significant increases in the cost of engineering and construction in Western Canada, driven by the demand for construction trades along with the price of steel, concrete, and fuel. Tender costs for projects are 15% to 35% higher than for similar projects a year ago. This impact is expected to increase in future years.**

- Previous estimates were based on costs for the biological treatment improvements only. The recently completed study identified further changes that must be made to the existing plant to meet the treatment requirements.

In addition to the impact of the cost increase for the expansion to the wastewater treatment plant, there are also new requirements included in the capital projections. **The Long Term Water Utility Study Update, required under Provincial water quality standards, has identified additional reservoir capacity as necessary to meet regulatory requirements for water storage as well as provide a secure source of water in the event of a failure at the Buffalo Pound Water Treatment Plant or in the pipelines from the plant.** Prior to the change in regulations, the City's wells could be used to provide emergency water supply.

The change in regulations means that wells can no longer be put in service without bacteriological testing, which takes 24 hours. The projected cost of the reservoir, scheduled to be constructed in 2010, is $17 million. A requirement has also been identified for an additional pumping station and trunk to the wastewater treatment plant to service south and southwest Regina. The estimated cost of the project is $20 million, with construction estimated for 2019.

The details of projected capital requirements and the estimated cost of those requirements have a relatively high degree of uncertainty. As studies are completed and updated, it is likely that additional requirements will be identified and the timing of requirements will be advanced. In addition, as detailed designs for capital projects are developed, it is likely that cost estimates will increase. **While the utility model includes projections for 20 years, it is highly likely that the projected capital requirements and the estimated costs of those requirements will be greater than the current projections.**

If capital spending is deferred there is increased risk that the City would not be able to meet the standards (including the legislated standards) set for the provision of water, wastewater and drainage services. Failure to meet the standards would have significant implications for the City and the community.

Maintenance of the water, wastewater and drainage systems is a duty of the City in the interest of public health and safety. Ageing infrastructure, regulatory standards and Regina's environmental and geographic location all contribute to increasing costs, which result in a requirement to increase rates. **The City has a duty to be responsible stewards of these essential utilities to promote the health, well being and economic opportunity of the community.**

Respectfully submitted,

A.R. Linner
City Manager

Introduction

Service Overview

Annually the City of Regina conducts a public survey. The following table provides a comparison of the public's responses for water and sewer services since the inception of the survey. **The public's rating of water and sewer services have increased since 1995**. The high rating is significant given the increased scrutiny over the last decade toward the provision of water and sewer services.

Rating of Water and Sewer Services

Year	Very or Somewhat Satisfied	Very or Somewhat Dissatisfied
2005[see note]	**91%**	**9%**
2004	89%	8%
2003	86%	13%
2002	88%	11%
2001	83%	15%
2000	81%	17%
1999	83%	15%
1998	81%	17%
1995	82%	18%

Note – The 2005 survey was conducted using different response options as compared to the prior surveys. Services were ranked on a scale of 1 (Very Dissatisfied) to 5 (Very Satisfied). In the table, those ranking the service 3, 4 or 5 are included in the Very or Somewhat Satisfied group.

The Water and Sewer Utility provides water, wastewater and drainage services primarily to customers in Regina. The services provided through the utility include:

- **Water Supply, Pumping and Distribution**

  The water system provides water for residential, institutional, commercial and industrial customers as well as water for fire protection. The system serves a population of over 190,000 including some customers outside the city limits. Service goals include:

  - Providing water that meets or exceeds Provincial water quality standards and objectives.
  - Providing water at adequate pressure and in sufficient quantity to satisfy the requirements for domestic and commercial use, irrigation and fire protection.
  - Identifying and implementing improvements to the water system through long range planning, monitoring, improved operation, capital works and new technology.

- **Wastewater Collection and Treatment**

  The wastewater system collects wastewater from all residential, institutional, commercial and industrial customers in the city. Wastewater treatment and final effluent meets provincial environmental standards. Service goals include:

- Collecting domestic, commercial and industrial wastewater in the city and delivering it to wastewater treatment facilities.

- Producing a treated wastewater effluent that is biologically and physically safe for the environment and meets the requirements of the provincially issued operating permit.

- Ensuring solids removed from the wastewater are treated and disposed in an environmentally responsible manner.

- **Drainage**

  The drainage system controls water runoff resulting from rainfall and melting snow in and around the city. The system serves approximately 60,000 residential, institutional, commercial and industrial properties. Service goals include:

  - Operating and maintaining the drainage system to control run off water within the city to minimize inconvenience, property damage and danger to the public.

  - Monitoring the potential for flood conditions in Wascana Creek and the storm channels and carrying out flood control measures as required.

Regional Setting

Regina's location, in a sensitive natural environment far from a major water source, is unique among the major Canadian cities. Regina's location impacts on the standards and costs for water supply and wastewater treatment and disposal. The map on the next page provides an overview of the regional setting.

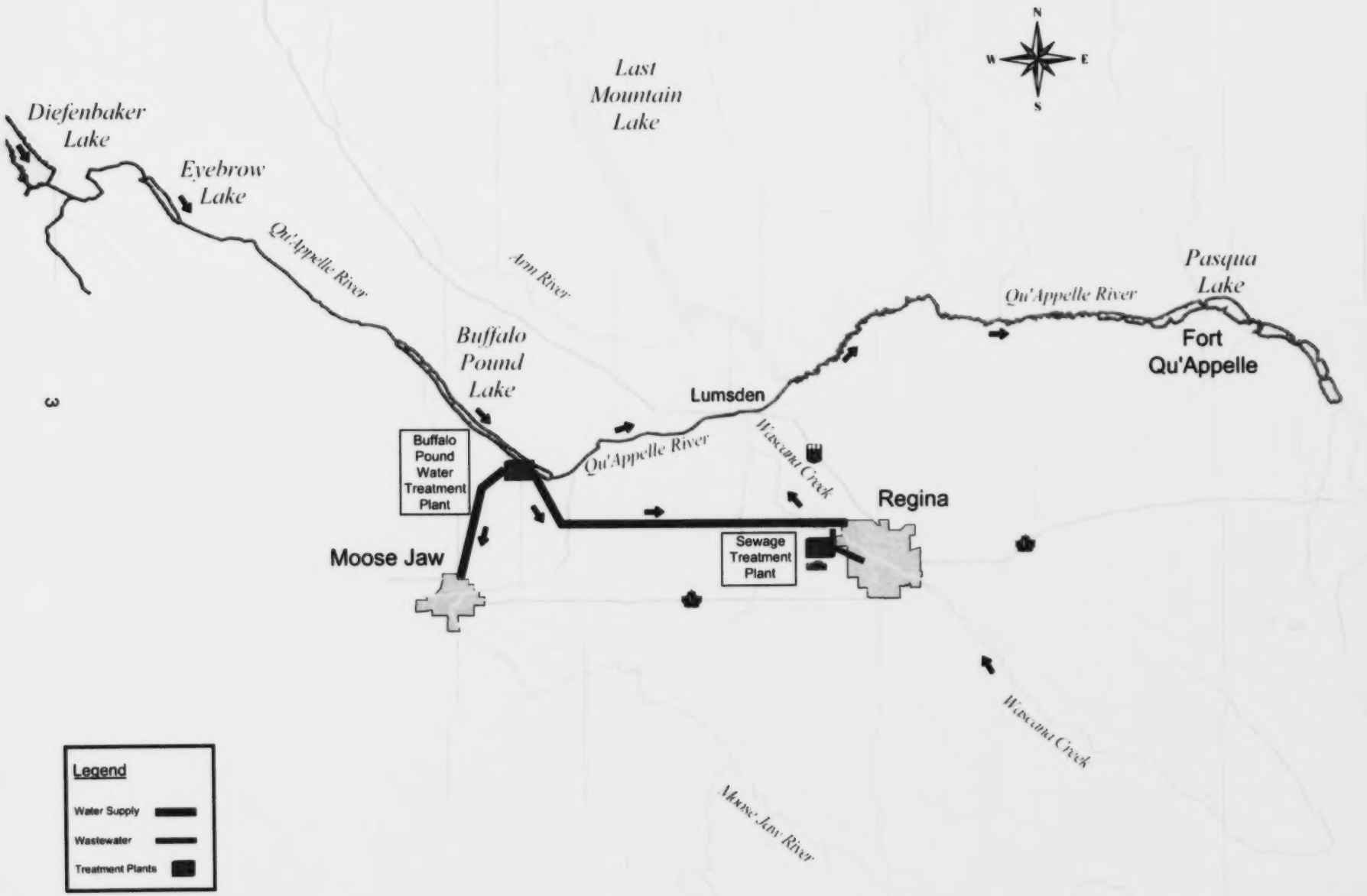
Regina's water supply originates with snow melt and rainfall in the eastern Rocky Mountains that feed the tributaries of the South Saskatchewan River. The Gardiner and Qu'Appelle dams impound the South Saskatchewan River to form Diefenbaker Lake from where water is released into the Qu'Appelle River. The Qu'Appelle flows through Buffalo Pound Lake, the source of Regina and Moose Jaw's treated water supply. Buffalo Pound Lake is also the water source for large industrial users including the SaskFerco fertilizer plant and the Mosaic potash mine at Belle Plaine.

From Buffalo Pound Lake the Qu'Appelle flows eastwards through the Fishing Lakes on its way to joining the Assiniboine in the east of the Province. Saskatchewan Watershed Authority manages water releases from Lake Diefenbaker to support a variety of uses in the Qu'Appelle valley besides water supply. Releases maintain lake levels for recreation use and provide water for agricultural irrigation. The Watershed Authority also operates dams and control structures maintaining water levels when flows are low and controlling flooding when flows are high.

Wascana Creek is a seasonal stream that originates to the east of Regina and flows through the city to join the Qu'Appelle downstream of Lumsden. Regina's storm water run off and treated wastewater flow into Wascana Creek. For much of the year these sources are the only water that feeds Wascana Creek, and without these sources, the Creek would be dry.

The nature of the Qu'Appelle system is influenced by both its natural setting and its many uses. Abundant sunshine and naturally occurring nutrients result in a highly productive biological system typical of prairie water bodies. Human activities (agriculture and development) create their own demands and influence the system.

Regina and Region



The City is a subscribing member and supporter of Partners for the Saskatchewan River Basin, an organization dedicated to public education and participation to preserve and protect the natural environment of the Saskatchewan River Basin.

Regina is the centre of an economic region comprised of approximately 40 communities. Initiatives are underway to strengthen partnerships and to collaborate on mutual opportunities and interests. Regina's utility systems already provide the basis for regional services and over time their role will increase.

Regina water supply and wastewater treatment systems are adapted to provide treatment that is appropriate to its natural setting and to minimize the city's influence on the receiving environment.

Regulatory Environment

Saskatchewan's Department of the Environment regulates water supply and distribution, and wastewater collection, treatment and disposal. Permits for the construction and operation of water and wastewater systems require specific standards to protect human health and to minimize impacts on the natural environment. A system of routine testing, inspections and annual reports ensures compliance.

Saskatchewan Watershed Authority is responsible for management of Saskatchewan's surface water and ground water resources. The Authority regulates the allocation of water, establishes management plans for the Province's river basins and is responsible for land drainage and wetland preservation and enhancement. In 2004, the Authority initiated a consultative process to develop a plan for the Upper Qu'Appelle. City staff and Buffalo Pound Water Administration Board staff are actively involved in the planning process. The process is expected to take several years to complete.

In 2002, the Province responded to public concerns highlighted by the North Battleford cryptosporidium outbreak and subsequent inquiry by passing new regulations pursuant to *The Environmental Management and Protection Act*. This Act with its regulations introduced a range of measures to ensure consistent water quality and appropriate environmental protection throughout Saskatchewan. The requirements include mandatory operator certification, routine facility inspections, testing and reporting. System operators were required to provide a Water Quality Control Policy before December 31, 2003 and undertake a waterworks system assessment by December 31, 2005. **Regina has met both requirements.**

The mandatory certification program requires that certified operators are in charge of all key water supply and distribution, and wastewater collection and treatment operations. The level of certification depends on the size and complexity of the system, level one being the simplest and smallest systems, level four the largest and most complex. Regina's systems are designated as level four systems. The program provided a transition period to allow operators to achieve the required certification before July 15, 2005. Regina's operators meet the certification requirements.

In 2005, the Province adopted regulations that require municipalities to establish and publicly report on pricing and capital investment policies for their waterworks by July 1, 2006. **This budget document provides the information required by the new regulations.**

In 1999, the Federal Government enacted *The Canadian Environmental Protection Act*, (CEPA). This Act together with *The Fisheries Act* provides authority to regulate municipal waste water effluents and control discharges to receiving waters. CEPA regulations require municipalities to address any substances deemed to be "toxic" under CEPA. At present only two substances, ammonia and chlorination by-products have been designated "toxic". Ammonia is present in Regina's wastewater but there is a list of several hundred substances that could be so designated. Municipalities and provincial regulators have been very concerned that Federal regulation with inflexible broadly based national standards could replace the current site-specific regulatory regime. The Federal government has issued a Guideline for

addressing ammonia. It is expected the Federal Government will issue a regulation and timelines for addressing ammonia in wastewater discharges under *The Fisheries Act* in 2007.

The Canadian Council of Ministers of the Environment (CCME) is working on a national strategy to deal with Municipal Waste Water Effluents. The CCME recommendations are scheduled to be completed by the end of 2006. Implementation schedules will be completed on a case by case municipality basis following adoption of the recommendations by the Federal Government in a regulation under *The Fisheries Act*. This CCME initiative, which has the support of the Federal Government, addresses the need to maintain a national approach to pollution prevention and environmental protection while recognizing local conditions and requirements. The CCME initiative may result in a more pragmatic approach to timing and implementing municipal wastewater effluent improvements than the initial CEPA Pollution Prevention Plan approach.

Receiving environment impacts are a key consideration for municipal wastewater effluent standards. City staff and Saskatchewan Environment have discussed, and are in broad agreement, on the principle that treated effluent standards for the City's upgraded wastewater treatment plant should reflect and be determined by environmental effects in the Qu'Appelle system. To address this principle, the City will undertake a significant monitoring program to document current conditions and help project future conditions in the Qu'Appelle system.

Regina's practice has been to provide water and wastewater treatment that meets all regulatory requirements, anticipates potential higher standards and, where practical, meets the higher requirement. Costs of regulatory compliance, such as the costs of training, certification, documentation and reporting will be higher than in the past. As well, there will be significantly higher capital expenditures required to meet the standards.

Financial Information

Customer Impact of Utility Rates

The 2005 – 2007 water, wastewater and drainage rates were approved by City Council (Bylaw 2004-35) in 2004. Examples of the impact of the 2006 rates are provided below.

Average Home Owner

The following chart illustrates the impact of the 2006 rates on a home owner who uses 360 cubic metres of water per year. The water consumption is typical for a family of two adults and two children, in a home with two bathrooms, a dishwasher and washing machine, on a lot with typical landscaping for Regina. **The cost increase resulting from the 2006 rates is about $2.84 per month for the average homeowner.**

2006 Rate Impact - Average Home Owner

	2005	2006	Dollar Change	Per Cent Change
Water				
Basic Charge	$ 123.00	$ 129.00	$ 6.00	
Volume Charge	298.80	306.00	7.20	
Total Water	421.80	435.00	13.20	3.1
Wastewater				
Basic Charge	93.00	99.00	6.00	
Volume Charge	212.54	221.40	8.86	
Total Wastewater	305.54	320.40	14.86	4.9
Drainage Infrastructure Levy	78.00	84.00	6.00	7.7
Total Annual Utility Charges	$ 805.34	$ 839.40	$ 34.06	4.2

Sample Commercial Customer

The following chart illustrates the impact of the 2006 rates on a commercial customer with a 40 mm meter that uses 3,000 cubic metres of water per year, with a property size in the range of 3,001 to 5,000 m^2. This water consumption would be typical for a strip-mall with a restaurant and a hair salon with a parking lot and minimal landscaping.

2006 Rate Impact - Sample Commercial Customer

	2005	2006	Dollar Change	Per Cent Change
Water				
Basic Charge	$ 221.40	$ 232.20	$ 10.80	
Volume Charge	2,490.00	2,550.00	60.00	
Total Water	2,711.40	2,782.20	70.80	2.6
Wastewater				
Basic Charge	167.40	178.20	10.80	
Volume Charge	2,116.80	2,205.00	88.20	
Total Wastewater	2,284.20	2,383.20	99.00	4.3
Drainage Infrastructure Levy	312.00	336.00	24.00	7.7
Total Annual Utility Charges	$ 5,307.60	$ 5,501.40	$ 193.80	3.7

Utility Operating Budget Summary

Details ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Operating Revenue:					
Water	28,126.9	27,755.2	**29,053.6**	926.7	3.3
Wastewater	20,121.9	19,579.2	**21,143.4**	1,021.5	5.1
Drainage	5,570.4	5,598.0	**6,037.3**	466.9	8.4
Other	503.5	399.7	**490.3**	(13.2)	(2.6)
Total Operating Revenue	54,322.7	53,332.1	**56,724.6**	2,401.9	4.4
Operating Expenditures:					
Water	12,619.9	11,206.9	**12,996.3**	376.4	3.0
Wastewater	6,285.3	6,218.7	**6,663.9**	378.6	6.0
Drainage	1,121.0	885.0	**1,280.9**	159.9	14.3
Engineering and Operations	6,056.9	5,804.6	**6,001.4**	(55.5)	(0.9)
Utility Administration	4,854.1	4,916.1	**5,127.2**	273.1	5.6
Debt Costs	12,699.7	12,699.7	**11,011.7**	(1,688.0)	(13.3)
Total Operating Expenditures	43,636.9	41,731.0	**43,081.4**	(555.5)	(1.3)
Utility Operating Surplus	10,685.8	11,601.1	**13,643.2**	2,957.4	27.7
Distribution of Surplus:					
Transfer to General Operating	4,503.9	4,503.9	**4,672.0**	168.1	3.7
Transfer to General Capital:					
CSIP Funding	2,500.0	2,500.0	**-**	(2,500.0)	(100.0)
MRIF Funding	1,700.0	1,700.0	**1,700.0**	-	-
Transfer to General Utility Reserve	1,981.9	2,897.2	**7,271.2**	5,289.3	266.9
Total Surplus	10,685.8	11,601.1	**13,643.2**	2,957.4	27.7

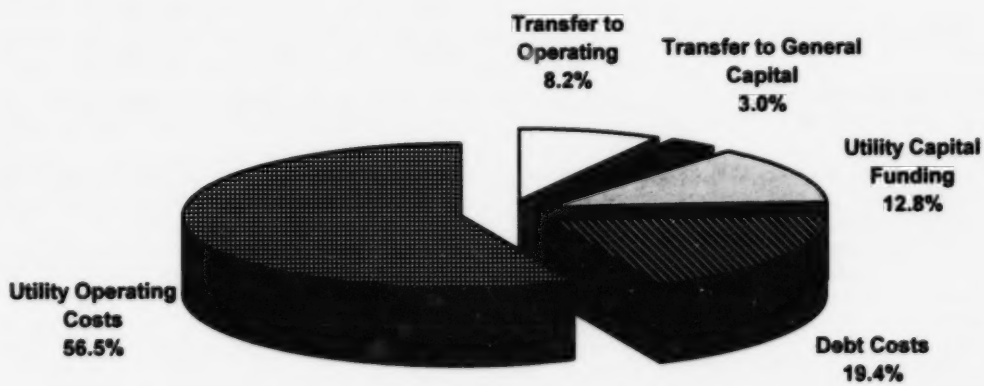
Utility Capital Program Summary

	2006	2007	2008	2009	2010	Total
Capital Expenditures						
Water Supply, Pumping & Distribution	**2,190**	1,890	2,000	2,090	18,790	26,960
Wastewater Collection & Treatment	**7,610**	7,290	33,990	23,320	45,690	117,900
Drainage	**4,305**	3,300	4,085	4,550	3,550	19,790
Total Expenditures	**14,105**	12,480	40,075	29,960	68,030	164,650
Capital Funding						
General Utility Reserve	**12,265**	10,605	7,225	7,252	4,490	41,837
Debt	**-**	-	30,000	20,000	60,000	110,000
Municipal Rural Infrastructure Fund	**1,700**	1,700	1,700	1,700	1,700	8,500
Utility Development Charges	**140**	175	1,150	1,008	1,840	4,313
Total Funding	**14,105**	12,480	40,075	29,960	68,030	164,650

Utility Operating Revenues

Revenue Details ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Water Revenue					
Metered Water Charges	27,651.2	27,190.3	**28,565.8**	914.6	3.3
Unmetered Water Charges	198.7	90.6	**208.6**	9.9	5.0
Other Water Service Charges	277.0	474.4	**279.2**	2.2	0.8
Subtotal	28,126.9	27,755.3	**29,053.6**	926.7	3.3
Wastewater Revenue				-	
Wastewater Charges	20,071.9	19,523.4	**21,093.4**	1,021.5	5.1
Wastewater Service Surcharges	50.0	55.9	**50.0**	-	-
Subtotal	20,121.9	19,579.3	**21,143.4**	1,021.5	5.1
Drainage Revenue				-	
Drainage Infrastructure Levy	5,570.4	5,598.0	**6,037.3**	466.9	8.4
Other Revenue				-	
Local Improvement Levy	82.3	52.3	**82.3**	-	-
Late Payment & Transfer Charges	316.7	301.9	**321.5**	4.8	1.5
Claims Revenue	60.0	34.3	**42.0**	(18.0)	(30.0)
Other Revenues	44.5	11.2	**44.5**	-	-
Subtotal	503.5	399.7	**490.3**	(13.2)	(2.6)
Total Utility Revenue	54,322.7	53,332.3	**56,724.6**	2,401.9	4.4

Use of 2006 Utility Revenue


Transfer to Operating 8.2%
Transfer to General Capital 3.0%
Utility Capital Funding 12.8%
Utility Operating Costs 56.5%
Debt Costs 19.4%

Utility Operating Expenditures

Expenditure Details ($000's)	2005 Budget	2005 Actual	2006 Budget	Change 2005 to 2006 Dollar Change	Change 2005 to 2006 Per Cent Change
Water					
Water Supply	5,487.8	5,223.7	**5,624.7**	136.9	2.5
Water Pumping	1,130.4	772.2	**1,102.3**	(28.1)	(2.5)
Water Distribution	6,001.7	5,211.0	**6,269.3**	267.6	4.5
	12,619.9	11,206.9	**12,996.3**	376.4	3.0
Wastewater					
Wastewater Collection	1,708.5	1,670.3	**1,841.9**	133.4	7.8
Wastewater Treatment	4,576.8	4,548.4	**4,822.0**	245.2	5.4
	6,285.3	6,218.7	**6,663.9**	378.6	6.0
Drainage	1,121.0	885.0	**1,280.9**	159.9	14.3
Engineering and Operations					
General Administration[1]	702.5	768.3	**919.3**	216.8	30.9
Water, Wastewater Collection and Drainage Engineering[2]	1,566.4	1,171.9	**1,088.1**	(478.3)	(30.5)
Environmental Engineering[3]	281.6	261.9	**337.9**	56.3	20.0
Development and Technical Services	734.5	942.3	**771.3**	36.8	5.0
Operations Administration	2,578.7	2,485.9	**2,687.1**	108.4	4.2
Facilities	193.2	174.3	**197.7**	4.5	2.3
	6,056.9	5,804.6	**6,001.4**	(55.5)	(0.9)
Utility Administration					
Customer Service, Billing & Collection	2,254.5	2,316.5	**2,411.1**	156.6	6.9
Utility Administration Charge	2,599.6	2,599.6	**2,716.1**	116.5	4.5
	4,854.1	4,916.1	**5,127.2**	273.1	5.6
Debt Costs	12,699.7	12,699.7	**11,011.7**	(1,688.0)	(13.3)
Total Utility Expenditures	43,636.9	41,731.0	**43,081.4**	(555.5)	(1.3)

Notes:

(1) The change from 2005 to 2006 includes additional funding for administrative support ($13,400), workforce development ($45,000) and asset management ($60,000), and the addition of an apprentice electrician which will be deployed in several areas.

(2) The budget decrease from 2005 to 2006 is a result of deleting a number of one-time expenditures that had been included in the 2005 budget. These include the Waterworks System Assessment Study ($255,000) and the Wastewater Collection Inflow and Infiltration Study ($200,000).

(3) The increase in funding from 2005 to 2006 represents the deletion of a special in 2005 for $75,000 for the Wascana Creek Receiving Information Study and a special for 2006 for the Wascana Creek Receiving Environmental Study for $110,000. *See additional details on page 12.*

Staffing Summary

FTE's by Department	2004	2005	2006
Corporate Services			
Permanent	3.0	3.0	3.0
Engineering and Works			
Permanent	151.5	153.8	160.5
Casual	28.8	31.6	32.5
Finance			
Permanent	22.5	22.0	22.0
Casual	3.7	2.8	3.3
Total	209.5	213.2	221.3

Analysis of Operating Budget Change

Details of Operating Budget Changes	($000's)
2005 Budget	43,636.9
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs, and the negotiated settlement for 2004, 2005 and 2006. The negotiated increase for 2006 is 1.5%, although additional funding is also required as a result of the increases provided for 2004 and 2005.	617.9
2. Delete 2005 specials, which included the Waterworks System Assessment Study ($255), the Wascana Creek Receiving Information Study ($75), and the Investigation of Infiltration and Inflow for the Wastewater Collection System ($200).	(775.6)
3. Increase in the cost of water from Buffalo Pound Water Treatment Plant.	120.2
4. Increase in electrical costs due to a rate increase and demand charge increases (approximately $160,000), and an adjustment to reflect historical actual costs (approximately $80,000).	240.9
5. Increase in Fleet Charges due to the increased costs of fuel, fleet garage expenses, and depreciation charges as old vehicles and equipment are replaced.	123.7
6. Added costs for storm water retention pond management - The costs were previously budgeted for in the general operating budget.	25.0
7. Added costs for street sweeping (fall leaf pickup). The costs were previously budgeted for in the general operating budget. The service is primarily to enhance storm water drainage.	60.0
8. Preventative Maintenance (Addition) - Water supply pump stations and facilities - Funding for a skilled labourer to assist in performing this function at an acceptable level. (Increase 1.0 permanent fte).	22.8
9. Domestic and Storm Sewer Closed Circuit Television Camera (CCTV) Operation (Addition) - A second shift is required to meet the demands of the aging infrastructure. With an expanded inspection capacity, a risk based inspection program will be developed to inspect and re-inspect critical mains to provide data and direction for a sewer reinvestment program. With the current sewer inspection capacity and program, a strategic reinvestment program cannot be developed. Collecting additional asset information is an important component in the development of a sewer asset management strategy that is now underway. (Increase 2.0 permanent fte, 0.6 casual fte).	135.3
10. Lift Station Upgrades (Special) - Four of the 16 lift stations require ventilation upgrades to reduce the accumulation of sewer gases. The changes will improve safety and lessen corrosion on the system components. This work was budgeted in 2005 but was not undertaken due to other priorities.	25.0
11. Technical Support (Addition) - Funding for a Wastewater Treatment Plant Engineering Technologist. This position will provide technical support for capital and operating projects, upgrades, and documentation. (Increase 1.0 permanent fte).	30.0
12. Alum Enhancer (Special) - Funding for the purchase of a chemical on a trial basis to enhance the performance of nutrient removal and bacteria, minimizing the risk of failing to comply with the requirements of the operating permit.	50.0

Details of Operating Budget Changes	($000's)
13. Lab Safety Assessment (Special) - Funding for an external health and safety audit of the Wastewater Treatment Plant Laboratory procedures to mitigate safety risks for staff.	40.0
14. Administrative Support (Addition) - Funding to meet an increased demand for administrative support in Engineering and Works. A Clerk Typist III is added, offset in part by eliminating existing funding for casual staff. The position primarily supports the Sewage Treatment Plant. The cost is funded 75% by the utility. (Increase .75 permanent fte).	13.4
15. Workforce Development (Addition) - Funding for a coordinator to develop well trained, knowledgeable and effective front line staff. Mandatory certification requires that operating staff be certified and receive regular updating, which will be delivered through this position (increase 1.0 permanent fte).	45.0
16. Asset Management (Special) - Funding for a partnership with the City of Saskatoon to develop an Asset Management framework for buried utilities (increase 0.3 casual fte).	60.0
17. Apprentice Electrician (Addition) - This will provide for an apprentice position to assist in developing in-house journeyperson electricians. The funding will help to ensure that the City has sufficient qualified staff in a challenging labour market for skilled trades (increase 1.0 permanent fte).	25.0
18. Wascana Creek Receiving Environment Study (Special) - As part of the Wastewater Treatment Plant upgrade, a model of the Wascana Creek is required to project the impacts and benefits of treatment process improvements. The data will be required to comply with future permits to operate the Wastewater Treatment Plant.	110.0
19. Meter Resequencing - (Special) - The funding is to contract with the company that supplied the meter reading equipment to resequence the reader routes, in order to reduce the number of routes and improve efficiency.	50.0
20. CIS System Upgrade - (Special) - Funding is for one staff (1.0 fte) to assist in the installation of an upgrade to the billing system.	49.0
21. Debt costs - Reduction in debt costs due to the retirement of debt repaid In 2005.	(1,688.0)
22. Administrative Charge - Increase in the administrative charge as per the policy. The charge is 5% of the prior years budgeted revenue.	116.5
23. Total of all other changes.	(51.6)
2006 Budget	43,081.4

Utility Rates, Policies and Planning

The information provided in this section is intended to provide details of the utility rates and an overview of financial policies and planning for the Water and Sewer Utility. **The information is required in part to meet the requirements of Part V.1 of *The Cities Regulations* regarding Public Reporting on Municipal Waterworks.** The regulations apply only to waterworks, however, since the utility includes water, wastewater and drainage services, the information required by the regulations is provided for the entire utility. The regulations provide for certain policies to be adopted by bylaw or resolution. **The Water and Sewer Utility budget document is submitted to Committee and Council and the budget adopted by resolution. The resolution adopting the budget, which includes the policies in the budget document, meets the requirements of the regulations.**

Utility Rates and Rate Policies

Section 22.3 of *The Cities Regulations* requires Council to adopt a rate policy that sets out the rates or fees to be charged to consumers for the use of water. The policy must include the method used to determine those rates or fees. In establishing utility rates, the following policies have been adopted in the past by City Council:

1. Utility rates are to be established such that they are sufficient, based on long-term projections, to fully fund utility operating costs, interest cost and debt repayments, capital requirements, and transfer policies, taking into account the operating and infrastructure requirements of the utility required to meet the service goals of the utility, as determined by City Council or prescribed by legislation. The objectives for the Utility's rate structure are:

    - **Financial Self Sufficiency** – Utility rates must generate revenue adequate to meet all operating and capital costs of the Utility in both the short and the long-term.

    - **Conservation** – Utility rates should encourage customers to use water responsibly.

    - **Reduction of Peak Demand** – The Utility rates should encourage water conservation during summer months, reducing the need for infrastructure investment and higher rates.

    - **Equity** – The Utility rates should result in a charge to customers according to the cost of services they utilize.

2. The rate structure for water and wastewater will include a base fee that varies according to the size of the water meter. The variation in the base rate by meter size will be based on the schedule recommended by the American Water Works Association (AWWA). The ratios for the base rate based on meter size are shown in the following table.

Water and Wastewater Base Fee Ratios

Meter Size	AWWA Standard Ratio	Meter Size	AWWA Standard Ratio
15 mm	1.0	75 mm	11
18 mm	1.0	100 mm	14
25 mm	1.4	150 mm	21
40 mm	1.8	200 mm	29
50 mm	2.9		

3. The rate structure for water and wastewater will include a uniform rate for each cubic metre of water consumption and each cubic metre of deemed wastewater flow. For water, the uniform rate is applied to all consumption. For wastewater, the deemed volume is a percentage of the water consumption. The percentages are:

   - For residential customers, the wastewater volume is 82% of the water consumption;
   - For multiple unit residential properties, the percentage is 95% of the water consumption; and,
   - For institutional, commercial and industrial properties, the percentage is 98% of the water consumption.

4. The rate structure for the storm drainage infrastructure levy will be based on the size of the property, with larger properties paying a higher levy. The ratios approved by City Council in 2001 (CR01-189) are shown in the following table. The drainage levy applies irrespective of whether the property is connected to the water or wastewater systems.

Drainage Infrastructure Rate Ratios

Area of Property	Rate Ratio	Area of Property	Rate Ratio
0 to 1,000 m^2	1.0	17,001 to 19,000 m^2	18.0
1,001 to 3,000 m^2	2.0	19,001 to 21,000 m^2	20.0
3,001 to 5,000 m^2	4.0	21,001 to 23,000 m^2	22.0
5,001 to 7,000 m^2	6.0	23,001 to 25,000 m^2	24.0
7,001 to 9,000 m^2	8.0	25,001 to 27,000 m^2	26.0
9,001 to 11,000 m^2	10.0	27,001 to 29,000 m^2	28.0
11,001 to 13,000 m^2	12.0	29,001 to 31,000 m^2	30.0
13,001 to 15,000 m^2	14.0	Over 31,000 m^2	32.0
15,001 to 17,000 m^2	16.0		

5. **In the setting of rates, the utility must generate a surplus, with** the surplus intended for the following purposes:

   - **Transfer to the General Operating Fund** – For 2006, the transfer is the total of the following amounts:
     - 7.5% of the previous years budgeted revenues for billed water consumption, wastewater charges and drainage infrastructure levy; and,
     - An amount ($675,000) estimated to be 3/7^{ths} of the GST rebate received by the Utility. This amount is the additional rebate provided by the Federal Government starting in 2004.
   - **Transfer to the General Capital Fund** – For 2006, the transfer is $1,700,000, equal to the Municipal Rural Infrastructure Fund grants received by the Utility.
   - **Transfer to the General Utility Reserve** – The balance of the Utility's surplus, after the transfer to the General Operating Fund and General Capital Fund, is transferred to the General Utility Reserve. The purpose of the reserve is to provide a source of financing for capital projects. In the event that the Utility incurs an operating deficit in a given year, the deficit would also be funded from the reserve.

City Council's practice has been to establish utility rates every three years, with a three-year schedule of rates adopted. In 2004 (Bylaw 2004-35), rates were set for the 2005 – 2007 period. **As a result of increasing capital requirements for the utility, it is anticipated that rate increases in the range of 7% per year will be required for 2008, 2009 and 2010. Projections will be reviewed over the next year to eighteen months with a rate recommendation to be provided to City Council in mid to late 2007 for implementation in 2008.**

The previously approved utility rates for 2005 through 2007 are shown in the following tables.

Water Rates
(Billed Every Two Months)

	Previously Approved		
	2005	2006	2007
Base Fee per Billing Period:			
15 mm/18 mm water meter	$ 20.50	$ 21.50	$ 22.50
25 mm water meter	28.70	30.10	31.50
40 mm water meter	36.90	38.70	40.50
50 mm water meter	59.50	62.40	65.30
75 mm water meter	225.50	236.50	247.50
100 mm water meter	287.00	301.00	315.00
150 mm water meter	430.50	451.50	472.50
200 mm water meter	594.50	623.50	652.50
Volume Charge:			
Charge per Cubic Metre	$ 0.83	$ 0.85	$ 0.88

Wastewater Rates
(Billed Every Two Months)

	Previously Approved		
	2005	2006	2007
Base Fee per Billing Period:			
15 mm/18 mm water meter	$ 15.50	$ 16.50	$ 17.50
25 mm water meter	21.70	23.10	24.50
40 mm water meter	27.90	29.70	31.50
50 mm water meter	45.00	47.90	50.80
75 mm water meter	170.50	181.50	192.50
100 mm water meter	217.00	231.00	245.00
150 mm water meter	325.50	346.50	367.50
200 mm water meter	449.50	478.50	507.50
Volume Charge:			
Charge per Cubic Metre	$ 0.72	$ 0.75	$ 0.78

Drainage Infrastructure Levy Rates
(Billed Every Two Months)

Area of Property	Previously Approved 2005	2006	2007
0 to 1,000 m^2	$ 13.00	**$ 14.00**	$ 15.00
1,001 to 3,000 m^2	26.00	**28.00**	30.00
3,001 to 5,000 m^2	52.00	**56.00**	60.00
5,001 to 7,000 m^2	78.00	**84.00**	90.00
7,001 to 9,000 m^2	104.00	**112.00**	120.00
9,001 to 11,000 m^2	130.00	**140.00**	150.00
11,001 to 13,000 m^2	156.00	**168.00**	180.00
13,001 to 15,000 m^2	182.00	**196.00**	210.00
15,001 to 17,000 m^2	208.00	**224.00**	240.00
17,001 to 19,000 m^2	234.00	**252.00**	270.00
19,001 to 21,000 m^2	260.00	**280.00**	300.00
21,001 to 23,000 m^2	286.00	**308.00**	330.00
23,001 to 25,000 m^2	312.00	**336.00**	360.00
25,001 to 27,000 m^2	338.00	**364.00**	390.00
27,001 to 29,000 m^2	364.00	**392.00**	420.00
29,001 to 31,000 m^2	390.00	**420.00**	450.00
Over 31,000 m^2	416.00	**448.00**	480.00

Utility Model

The purpose of the model is to project future operating revenues and expenditures along with capital requirements and capital funding. The major decisions in generating the projections for the Utility are:

- **Utility Rates** – While the objective is to minimize the need for rate increases, a parallel objective is to ensure required rate increases are gradual, rather than having large increases when major capital expenditures are required.

- **Capital Expenditures** – There are service goals for each component of the utility that determine the long-term capital requirements. There is some flexibility in planning for capital expenditures. The utility model can be used to evaluate the financial implications of alternate schedules for capital expenditures.

- **Capital Funding** – Historically, capital funding has been provided through the issuing of debt or the use of internal reserves. The utility model can be used to evaluate the implications of the use of debt.

The utility model is based on the following assumptions:

- **Water Consumption** – The model uses an annual billable water consumption figure of almost 24 million cubic metres. The model is based on the current trend for water consumption and the assumption that total consumption will not change significantly in the future.

- **Operating Costs** – The model uses the 2006 operating budget and applies an inflation rate of 3% per year to forecast costs for the next 20 years. The cost of water supplied by the Buffalo Pound Water Treatment Plant is projected to increase at a rate of 5% per year. Actual costs will differ from the projected costs over time, but the assumptions are considered reasonable for the purpose of the model.

- **Utility Rates** – The utility rates approved for 2006 and 2007 are used in the model. Revised rates are proposed for 2008 through 2010. **For the period 2008 through 2010, rate increases of 7% each**

year are required. Future rate increases are dependant primarily on the projected level of capital expenditures. Changes in future capital requirements will result in a change in future rate requirements.

- **Capital Expenditures** – The model accommodates the capital expenditures in the proposed 2006 – 2010 Utility Capital Program, along with future capital requirements based on a 20-year capital expenditure plan. The current version of the utility model has projected capital costs (based on current dollars) of about $328 million from 2011 to 2025.

- **Capital Funding** – The model includes projections for capital funding from the General Utility Reserve and Utility Development Charges. Capital funding beyond that available from the reserve or development charges must be provided through external financing. **Capital financing requirements by debt issuance in the 2006 – 2010 Utility Capital program total $110 million; $30 million in 2008, $20 million in 2009 and $60 million in 2010. Additional debt financing is projected to be required beyond 2010.**

Utility Customers

The Water and Sewer Utility provides services to a population of over 190,000, including service to some customers and communities outside of the city limits. The following tables provide information on the number and categories of utility customers.

Water and Sewer Utility Customers

	Water Customers	Wastewater Customers	Drainage Customers
Residential	55,775	55,774	55,462
Multi-Unit Residential	860	859	742
Commercial	3,032	2,928	3,134
Summer Service	195	24	-
Total	59,862	59,585	59,338
Within City Limits	59,723	59,550	59,338
Outside City Limits	139	35	-
Total	59,862	59,585	59,338

Water Customers

Size of Connection	Residential	Multi-Unit Residential	Commercial	Summer Service	Total
15 mm - 5/8"	53,226	102	1,160	7	54,495
18 mm - 3/4"	2,500	233	1,069	22	3,824
25 mm - 1"	45	328	363	28	764
40 mm - 1.5"	4	103	141	42	290
50 mm - 2"	-	40	158	84	282
75 mm - 3"	-	54	117	8	179
100 mm - 4"	-	-	15	4	19
150 mm - 6"	-	-	6	-	6
200 mm - 8"	-	-	3	-	3
Total	55,775	860	3,032	195	59,862

Wastewater Customers

Size of Connection	Residential	Multi-Unit Residential	Commercial	Summer Service	Total
15 mm - 5/8"	53,241	102	1,178	3	54,524
18 mm - 3/4"	2,487	233	1,023	2	3,745
25 mm - 1"	43	328	342	4	717
40 mm - 1.5"	3	102	128	6	239
50 mm - 2"	-	40	127	7	174
75 mm - 3"	-	54	112	2	168
100 mm - 4"	-	-	11	-	11
150 mm - 6"	-	-	5	-	5
200 mm - 8"	-	-	2	-	2
Total	55,774	859	2,928	24	59,585

Drainage Customers

Area of Property	Residential	Multi-Unit Residential	Commercial	Number of Properties
0 to 1,000 m^2	55,460	328	1,302	57,090
1,001 to 3,000 m^2	-	301	814	1,115
3,001 to 5,000 m^2	-	40	313	353
5,001 to 7,000 m^2	1	27	162	190
7,001 to 9,000 m^2	-	10	109	119
9,001 to 11,000 m^2	-	10	75	85
11,001 to 13,000 m^2	1	7	54	62
13,001 to 15,000 m^2	-	4	50	54
15,001 to 17,000 m^2	-	1	42	43
17,001 to 19,000 m^2	-	3	25	28
19,001 to 21,000 m^2	-	6	30	36
21,001 to 23,000 m^2	-	2	17	19
23,001 to 25,000 m^2	-	1	14	15
25,001 to 27,000 m^2	-	1	9	10
27,001 to 29,000 m^2	-	-	12	12
29,001 to 31,000 m^2	-	-	6	6
Over 31,000 m^2	-	1	100	101
Total Properties	55,462	742	3,134	59,338

Utility Rate History and Comparisons

The following tables detail the history of utility rates since 1991 (1992 for the Drainage Infrastructure Levy), and the annual cost and annual cost increase for a sample residential customer with 360 cubic metres of water consumption a year.

Water Rate History

Year	Consumption in Minimum Charge (Cubic Metres)	Minimum Charge	Volume Charge (Per Cubic Metre)	Cost for Sample Customer	
				Annual Charge (360 m^3)	Per Cent Increase
1991	28.3	15.57	0.565	200.80	5.1%
1992	28.3	16.40	0.593	211.20	5.2%
1993	28.3	17.70	0.643	228.48	8.2%
1994	28.3	19.20	0.693	247.02	8.1%
1995	28.3	20.20	0.728	259.68	5.1%
1996	25.0	20.85	0.740	280.50	8.0%
1997	22.0	21.90	0.750	302.40	7.8%
1998	19.0	23.00	0.750	322.50	6.6%
1999	16.0	23.00	0.750	336.00	4.2%
2000	13.0	23.00	0.750	349.50	4.0%
2001	10.0	23.00	0.750	363.00	3.9%
2002	none	17.50	0.770	382.20	5.3%
2003	none	18.25	0.790	393.90	3.1%
2004	none	19.50	0.810	408.60	3.7%
2005	none	20.50	0.830	421.80	3.2%
2006	**none**	**21.50**	**0.850**	**435.00**	**3.1%**

Wastewater Rate History

Year	Consumption in Minimum Charge (Cubic Metres)	Minimum Charge	Volume Charge (Per Cubic Metre)	Cost for Sample Customer	
				Annual Charge (360 m^3)	Per Cent Increase
1991	28.3	14.58	0.558	149.10	5.0%
1992	28.3	15.80	0.601	169.44	13.6%
1993	28.3	17.10	0.650	183.36	8.2%
1994	28.3	18.50	0.700	197.94	8.0%
1995	28.3	19.10	0.721	204.18	3.2%
1996	25.0	17.50	0.690	204.36	0.1%
1997	22.0	17.65	0.660	212.82	4.1%
1998	19.0	17.75	0.630	219.90	3.3%
1999	16.0	17.75	0.630	231.24	5.2%
2000	13.0	17.75	0.630	242.58	4.9%
2001	10.0	17.75	0.630	253.92	4.7%
2002	none	12.75	0.650	268.38	5.7%
2003	none	13.50	0.670	278.78	3.9%
2004	none	14.50	0.690	290.69	4.3%
2005	none	15.50	0.720	305.54	5.1%
2006	**none**	**16.50**	**0.750**	**320.40**	**4.9%**

Drainage Infrastructure Levy Rate History

Year	Property Category	Annual Levy	Percentage Increase
1992	All	24.00	n/a
1993	All	30.00	25.0%
1994	All	36.00	20.0%
1995	All	42.00	16.7%
1996	1,000 square metres or less	42.00	-
1997	1,000 square metres or less	43.20	2.9%
1998	1,000 square metres or less	44.40	2.8%
1999	1,000 square metres or less	45.60	2.7%
2000	1,000 square metres or less	46.80	2.6%
2001	1,000 square metres or less	48.00	2.6%
2002	1,000 square metres or less	49.20	2.5%
2003	1,000 square metres or less	60.00	22.0%
2004	1,000 square metres or less	72.00	20.0%
2005	1,000 square metres or less	78.00	8.3%
2006	**1,000 square metres or less**	**84.00**	**7.7%**

Rate Comparison - Sample Residential Customer

The following chart compares the 2006 rates for Regina and other cities for a sample residential customer. The sample customer is a home owner who uses 360 cubic metres of water per year. The water consumption is typical for a family of two adults and two children, in a home with two bathrooms, a dishwasher and washing machine, on a lot with typical landscaping for Regina.

Sample Residential Customer - 2006 Rates

Utility Bill Details	Regina	Calgary	Edmonton	Saskatoon	Winnipeg
Water:					
Basic Charge	$ 129.00	$ 126.96	$ 52.56	$ 57.00	$ 55.00
Volume Charge	306.00	426.71	422.32	218.67	349.61
Total Water	435.00	553.67	474.88	275.67	404.61
Wastewater:					
Basic Charge	99.00	93.72	56.28	57.00	-
Volume Charge	221.40	212.54	322.45	131.20	492.00
Total Wastewater	320.40	306.26	378.73	188.20	492.00
Drainage or Infrastructure Levy	84.00	61.32	79.62	120.78	-
Total Annual Utility Charges	$ 839.40	$ 921.25	$ 933.23	$ 584.65	$ 896.61

Rate Comparison - Sample Commercial Customer

The following chart compares the 2006 rates for Regina and other cities for a sample commercial customer. The commercial customer has a 40 mm meter, uses 3,000 cubic metres of water per year, with a property size in the range of 3,001 to 5,000 m^2. This water consumption would be typical for a strip-mall with a restaurant and a hair salon with a parking lot and minimal landscaping.

Sample Commercial Customer - 2006 Rates

Utility Bill Details	Regina	Calgary	Edmonton	Saskatoon	Winnipeg
Water:					
Basic Charge	$ 232.20	$ 299.04	$ 183.00	$ 660.00	$ 85.80
Volume Charge	2,550.00	3,493.20	2,260.80	1,684.51	2,913.46
Total Water	2,782.20	3,792.24	2,443.80	2,344.51	2,999.26
Wastewater:					
Basic Charge	178.20	149.40	56.28	660.00	-
Volume Charge	2,205.00	2,064.90	2,687.10	1,419.65	4,100.03
Total Wastewater	2,383.20	2,214.30	2,743.38	2,079.65	4,100.03
Drainage or Infrastructure Levy	336.00	61.32	716.58	1,175.98	-
Total Annual Utility Charges	$ 5,501.40	$ 6,067.86	$ 5,903.76	$ 5,600.14	$ 7,099.29

Water

Initiatives for 2006

- Complete the installation of new pumps and modifications to existing pumps at the Buffalo Pound Water Treatment Plant. Three new pumps will replace existing pumps originally installed in the 1950s and the 1960s. Two existing pumps installed in the early 1990s will be modified to achieve peak pumping efficiency, while one new pump will be installed to increase the peak day pumping rate by approximately 33%. Once the new pumps are operational annual pumping costs will decrease by approximately 50%. When this work is complete **all of the water supply for the city will come from the Buffalo Pound Water Treatment Plant.** The City will only use its ground water supply in an emergency.

- Continue the Leak Detection and Management Project with the National Research Council's Centre for Sustainable Infrastructure Research in Regina. This project will use computerized leakage detection and district metering in three sections of the City's water distribution system to study the integrity of asbestos cement and polyvinyl chloride watermains.

- Complete the assessment of the performance of asbestos cement (AC) watermains. This work will be done in conjunction with the National Research Council's Centre for Sustainable Infrastructure Research in Regina, under the Communities of Tomorrow partnership. The number of breaks in AC watermains increases dramatically during dry weather conditions such as the summer and fall of 2003, resulting in high costs for repairs. The assessment will determine the cause of the failures, whether there are ways to minimize future breaks, and alternatives available for providing a long-term solution.

- Undertake a partnership with the City of Saskatoon to develop management strategy for various classes of underground assets.

Status of 2005 Initiatives

- Continued work on the Long Term Water Utility Study Update to identify required improvements and upgrades. The study will be completed in 2006. The original study was completed in 1993 and recommended numerous improvements to the water supply, water pumping and water distribution system, many of which have been completed. The Study Update reviews portions of the water system that are affected by changes to water demand trends, water quality regulations and other factors. **A Waterworks System Assessment as required by the 2002 Water Regulations was also completed.**

- 98.2 metres of cast iron water mains were replaced in intersections.

- 322.5 metres of watermains were constructed to eliminate 2 dead ends and improve water flows for fire protection.

- 12 fire hydrants were replaced as part of maintenance, and 10 hydrants were replaced on roadway improvement projects.

Water System Overview

The water supply, pumping and distribution system provides water for residential and commercial use and fire protection. The system serves a population of over 190,000 including all residents and businesses in the city limits and a number of customers outside the city. Service goals include:

- Providing water that meets or exceeds Provincial water quality standards and objectives.

- Providing water at adequate pressure and in sufficient quantity to satisfy the requirements for domestic and commercial use, irrigation and fire protection.

- Identifying and implementing improvements to the water system through long range planning, monitoring, improved operation, capital works and new technology.

- Participation in Communities of Tomorrow and National Research Council's Centre for Sustainable Infrastructure Research to develop new technologies and improve practices.

Components of the water system shown in the map on the next page include:

- **Buffalo Pound Lake and Wells** – Approximately 99% of the annual water needs are provided from Buffalo Pound Lake, with the remainder drawn from ground water wells in and around the city in peak use situations. There are currently 12 wells in use and another six used for backup purposes. The well water is chlorinated, but does not require further treatment to meet current health standards.

- **Buffalo Pound Water Treatment Plant** – Water from Buffalo Pound Lake is drawn from the lake and pumped three kilometres to the Buffalo Pound Water Treatment Plant, a facility owned jointly with the City of Moose Jaw. At the plant, the water is mixed with coagulants that cause algae, bacteria and other impurities to clump together so that they settle out of the water. The water is then filtered and chlorinated. During warmer weather, the water is passed through granular activated carbon to improve the taste and odour.

- **Supply Pipelines** – From the Buffalo Pound Water Treatment Plant, the water is pumped through a 56 kilometre pipeline to the City's water distribution system. The pipeline has been twinned to provide increased capacity and reliability of the water supply. A number of other supply pipelines transport water from wells to reservoirs.

- **Reservoirs** – Five storage reservoirs are used to store water to meet peak demands and ensure that there is an adequate supply of water available for firefighting. The reservoirs have a combined usable storage capacity equal to about one and one-half days of average water use.

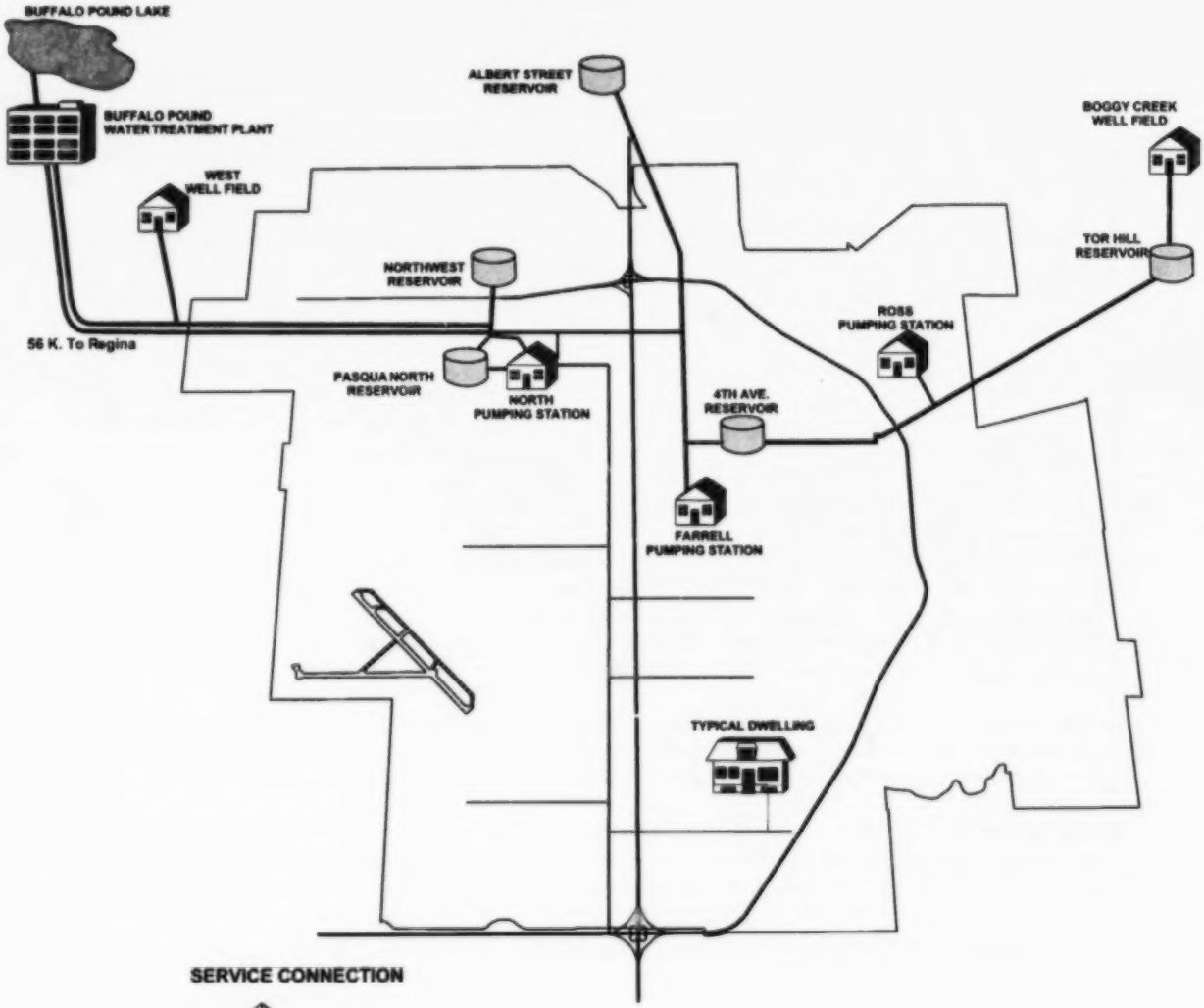
- **Pumping Stations** – There are three pumping stations (North, Farrell and Ross) that are used to pump water from reservoirs into the distribution system as necessary.

- **Distribution System** – The distribution system consists of over 785 kilometres of pipelines ranging in size from large 1,067 mm diameter trunk mains to 100 mm distribution pipes. The pipelines are made of various materials – asbestos cement, coated steel and polyvinyl chloride (PVC). The distribution system also includes over 6,000 valves that allow the water to be turned off to facilitate repairs and maintenance.

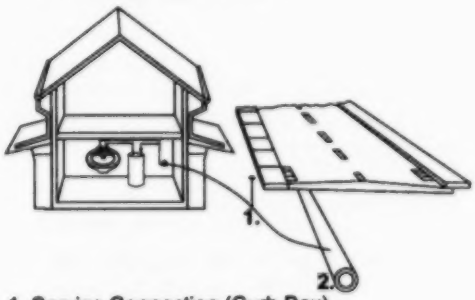
- **Service Connections** – Distribution pipes are connected to a customer's water lines through a service connection.

- **Water Meters** – Water meters measure water consumption. A water meter replacement program was completed in 2004. The project included the installation of automated meter reading (AMR) equipment to provide meter readings to a mobile data collection unit.

WATER SYSTEM



SERVICE CONNECTION



1. Service Connection (Curb Box)
2. Watermain

Water System Objectives

The Long Term Water Utility Study, initially completed in 1993, covered all aspects of the water system, including projected future water requirements, the condition of the existing system components, and a review of the system operations. The study was adopted by City Council as the City's long-term water supply plan. In 1998, a portion of the study was updated and resulted in a decision to improve the Buffalo Pound supply pipeline rather than construct a ground water treatment plant. A study update was initiated in 2004 and will be completed in 2006.

As part of the study, a number of objectives were established. These objectives continue to guide the water system operations today, and include:

- **Water Quality** – The City adopted the *Guidelines for Canadian Drinking Water Quality, 4th Edition* published by Health Canada as the basis for its water quality objectives. These are the most complete guidelines established in Canada. The standards, adopted by Saskatchewan Environment, regulate the operation of all waterworks in Saskatchewan.

  For parameters not included in the *Guidelines*, the City has adopted the most stringent level listed by other authorities. Some parameters are for substances for which there are aesthetic concerns rather than health concerns, such as iron, manganese and hardness. Other parameters are for substances to which health concerns have been linked but not proven, such as aluminum and trihalomethanes.

- **Water Conservation** – An enhanced Water Conservation Program was initiated in 1991 to reduce the per capita water consumption and the short-term peak water demand. Reduction of water demand was recognized as a strategic means for postponing capital expenditures for the expansion of both water and wastewater treatment facilities. Targets for reduction of average day and peak day water consumption (as compared to the projections in 1992 for specific future years) were a 5% reduction by 1996, a 10% reduction by 2001 and a further 15% reduction by 2011. These targets were confirmed in the Long Term Water Utility Study updated in 2005.

  Water consumption figures indicate that since 1991, average water consumption has decreased 10% while the population has increased approximately 5%. The reduction for average day and peak day per capita water use in 2004 (as compared to 1991) was 10% and 25% respectively.

- **Security and Reliability** – The City established an objective for the security of delivery, defined as ensuring the water will be available within the limits of minimal local disruptions for system maintenance and rare large-scale disruptions due to unforeseen catastrophe. Specific objectives are:

  - Mandatory water rationing should occur less than one year in ten.
  - Service should be restored within 24 hours in the event of local service disruptions such as water main breaks and connection problems. This objective is achieved for 99% of incidents.
  - All reasonable steps should be taken to ensure that large-scale disruptions do not occur. These steps include ensuring that there is sufficient redundancy in the system so that alternate facilities can be used in the event of a failure in part of the system.
  - Alternate power sources must be available in the event of a main power failure.
  - Hydrants should be installed and maintained to meet the requirements of the National Fire Code.

- **Water Pressure** – Water must be delivered to customers under pressure. It is desirable to maintain pressure standards between a minimum and maximum range. The pressure under which water is delivered to a customer depends upon many factors, including the consumption by other customers,

pumping capabilities, pipe size, velocity of the water through the system, and the design of the water system.

Water pressure can be controlled to a certain extent through the operation of pumps and other components of the system. However in some instances, system changes may be necessary to meet pressure standards.

As part of the Long Term Water Utility Study, desirable ranges for pressure and velocity were identified and system improvements were recommended where conditions fell outside of these ranges. The Long Term Water Utility Study Update includes recommendations for addressing lower pressures along the northern edge of the city.

- **Efficiency of Operations** – Electricity used in pumping water is a significant cost within the Water Supply, Pumping and Distribution budget. This cost is a factor of the efficiency of the pumps as well as the hydraulics of the system. Pumping operations are regularly reviewed to identify where system improvements or operational changes could reduce electrical costs. Changes are pursued when cost-effective.

Water Supply

Buffalo Pound Lake provides over 99% of Regina's water needs. The water is treated at the Buffalo Pound Water Treatment Plant, which is jointly owned by the cities of Regina and Moose Jaw. It was built in the 1950s in order to provide water for those two cities. The facilities are administered by the Buffalo Pound Water Administration Board, which consists of two members appointed by the City of Regina and one member appointed by the City of Moose Jaw.

Although the plant is operated as a separate entity, there is a high degree of communication and cooperation between the plant operators and the two cities.

On an annual basis, the Board establishes a general water rate. The rate is established on a cost-recovery basis. The 2006 rate has been set at $158.59 for one million litres, a 2.44% increase over the 2005 rate. The increase is due primarily to increases in labour, energy and chemical costs.

Since Buffalo Pound Lake is shallow and prone to the growth of algae and other organic materials, treatment of the lake water is challenging. Over the last ten years, the lake water has shown a trend of progressively higher levels of organic materials, which require higher levels of chemicals and carbon filtration in order to provide water that meets the City's water quality objectives.

The City's estimated 2006 cost of water purchased from Buffalo Pound will total approximately $5.2 million, or about 40% of the total costs of the Water Supply, Pumping and Distribution Program.

Buffalo Pound's operating costs have been impacted by the cost of chemicals for treating the water, increased maintenance requirements and compliance with new regulations. Higher quantities of chemicals, primarily powdered activated carbon, have been needed for taste and odour control. Maintenance costs are rising due to the age of the plant and new regulatory requirements for testing and quality control resulting in increased demands on the plant's laboratory.

In recent years Regina has changed its water supply strategy to use the higher quality water from the Buffalo Pound Plant rather than using wells, thereby avoiding the cost of providing water treatment for well water. This change has resulted in a heavier loading on the plant than anticipated when the plant was upgraded in the 1980s. Plant processes are capable of handling the loading but some parts of the system, such as the sludge management system, were not designed with this capacity in mind. Maintenance and operating requirements are now closer to the plant's capacity.

Future planning for the plant must address the continually increasing knowledge and anticipated regulations related to health effects. The review and update of the City's Long Term Water Utility Plan includes a study of the Buffalo Pound Water Treatment Plant. Areas of the study include:

- Disinfection practices – The plant uses chlorine for treatment and disinfection. Levels of chlorinated disinfection by-products measured in the distribution systems of the two cities, while within current guidelines, will not be acceptable when anticipated higher standards come into effect. An alternative disinfection process, chloramination, has the potential to replace chlorination significantly and reduce the level of chlorination by-products. In recent years, the health risks associated with cryptosporidium have become better recognized. An additional disinfection barrier, perhaps employing ultraviolet light, could be introduced to further reduce risks associated with cryptosporidium.

- Taste and odour control – The plant uses granular and powdered activated carbon for taste and odour control. The treatment capacity of this process has been taxed in recent years.

- There is insufficient capacity of the wastewater residuals systems, and sludge management is difficult particularly in warmer winters when proper de-watering of the sludge in the lagoons cannot be achieved.

- Treated water corrosivity – High coagulant dosages and enhanced coagulation processes often leave the treated water pH lower than what may be desired, and sometimes near the lower water quality guideline.

- The treated water storage reservoir capacity at the plant is small compared to the current treatment rate.

The Long-Term Utility Study will provide recommendations to address these and other aspects of the Plant.

A Waterworks System Assessment (WSA) was completed for the Buffalo Pound Water Treatment Plant and Regina's Water System in 2005. WSA's are required every five years in accordance with Saskatchewan Environment's 2002 Water Regulations. The WSA evaluates current performance, level of optimization, functionality, capability, efficiency and sustainability of the waterworks and identifies required improvements.

As part of the total water purchase costs the two cities also contribute an amount equal to 10% of the general water charges to a Capital Replacement Reserve used to pay for replacement and upgrading of equipment in the plant.

Costs for major improvements to the plant are shared with the City of Moose Jaw. The cost-sharing ratio is determined by the percentage ownership of each City, which at the present time is approximately 73% for Regina and 27% for Moose Jaw.

Water Purchase Statistics	2001	2002	2003	2004	2005
Purchases (mega litres)	29,709	27,180	29,828	27,021	26,799
General Rate ($/mega litre)	133.89	136.16	138.88	150.87	154.81
Capital Replacement Program (10% of General Rates) ($/mega litre)	13.39	13.62	13.89	15.09	15.48
Power ($/kwh)	0.05261	0.05471	0.05581	0.05748	0.05400
Power (kwh) (000's)	5,955.1	4,887.3	5,449.0	4,939.3	4,895.7

Regina also draws water from 18 wells located in and around the city. Although the wells currently provide annually less than 1% of the city's water, they are used to help meet peak demands on hot summer days.

The well water meets current safety standards but has levels of iron, manganese and hardness that exceed the City's water quality objectives. These minerals can cause staining on fixtures, as well as the appearance of "discoloured" water. The minerals also cause problems by forming deposits in the water system, requiring more frequent maintenance.

Over the past few years, concerns about well water quality have been managed by using lower volumes of well water and higher volumes of water from Buffalo Pound. At the present time, the wells play an important role in maintaining the reliability of the city's water supply. The wells can provide the city's minimum essential water needs in the event of a failure in the Buffalo Pound water supply. However, it is anticipated that growth in demand as well as regulations regarding storage levels and treatment will reduce the ability to rely on the wells as a backup water source. The 2006 – 2010 Utility Capital Program includes $17 million for a reservoir in 2010 to address these requirements.

Water Supply by Source (in mega litres)	**2001**	**2002**	**2003**	**2004**	**2005**
Well Fields:					
Mound Springs (sold, no longer in operation)	220	-	-	-	-
West Wells	1	-	59	-	-
Boggy Creek	1	-	233	-	-
Total Water From Wells	222	-	292	-	-
Buffalo Pound Water Treatment Plant	29,709	27,180	29,828	27,021	26,799
Total City Water Supply	29,931	27,180	30,120	27,021	26,799
Percentage of Supply By Source:					
Wells	0.7	-	1.0	-	-
Buffalo Pound	99.3	100.0	99.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0

A number of tests are carried out to ensure that the water meets the water quality objectives. Tests include:

- At the Buffalo Pound Water Treatment Plant over 25,000 tests are performed each year to check for over 65 different substances. On-line analyzers and laboratory staff conduct the tests. In addition, some testing is done by outside labs. The cost of these procedures is included in the general water rate for water purchased from Buffalo Pound.
- Tests are also carried out at various points in the City's water supply and distribution system. Regular sampling and testing is done in order to comply with provincial requirements for the operation of the water system, as well as to ensure the City's water quality objectives are met.

Test results show that the water supply meets all health and safety guidelines. Instances have occurred where water quality did not meet the water quality objectives for iron and manganese from well water. Customer complaints also indicated the presence of discoloured water.

In addition to carrying out testing of treated water, steps are taken to safeguard the water supply. Identification and prevention of possible sources of groundwater contamination is an ongoing process. The City participated in a review of the Upper Qu'Appelle River watershed started by Saskatchewan Watershed Authority in 2004.

Water Pumping

Three pumping stations are used to pump water from reservoirs into the distribution system. The operation of all stations must be coordinated along with supplies from Buffalo Pound and other components of the supply system such as the reservoirs. Since electrical costs are a major component of this operation, it is important that the pumps are operated in an efficient manner. Water pumping must also be provided when electrical power failures occur.

In order to coordinate the operation of each station and to operate the pumps in an efficient and reliable manner, system data is required. This information is obtained from a computerized Supervisory Control and Data Acquisition (SCADA) system.

Water Distribution

The water distribution system consists of buried pipelines made of cast iron, asbestos cement (AC), or polyvinyl chloride (PVC). Steel is used for large supply mains exceeding 500 mm in diameter. Cast iron pipe was installed from 1904 until the 1940's. Asbestos cement was used throughout the 1950s, 60s and 70s. AC and PVC pipe comprise 70% and 30% respectively of the 790 kilometre distribution system. Approximately 107 kilometres of cast iron pipe has been replaced with PVC pipe since 1980. Some cast iron pipe remains due to location and size considerations (intersections, 600 mm diameter and over) and will be replaced as the need and opportunity arises. PVC pipe repair costs are virtually nil. The replacement of cast iron pipe with PVC pipe has allowed for significant savings in maintenance repairs.

Watermain breaks are a primary cause of water service disruptions, water losses and discoloured water. The frequency of breaks is a function of the pipe materials. The distribution of each material in the system and its failure rate is as follows:

Type of Pipe	Length in Kilometres	Percentage of Total	Failure Rate
Cast Iron	2	0.2	1.8
Asbestos Cement	535	67.9	0.2
PVC	215	27.2	-
Steel	37	4.7	-
Total	789	100.0	0.2

Note: The failure rate is calculated as the number of breaks per kilometre of pipe per year. The failure rate for cast iron pipe is the average failure rate for the years 1980 through 2001.

Watermain Statistics	2001	2002	2003	2004	2005
Main Leaks Repaired (#)	245	92	341	98	65
Average Unit Repair Cost ($)	7,168	7,051	6,962	7,311	8,705

Note: The increase in the average per unit cost in 2004 and 2005 is the result of more locations requiring pipe replacements rather than clamp repairs.

Full circle stainless steel repair clamps can be used to repair small holes and cracks. Larger breaks are more costly to repair, as the damaged section of the main must be removed and new pipe installed. Both types of repairs require the water to be shut off to that section of the main. Customers are notified of the disruption in service.

A new watermain flushing process was successfully applied to the distribution system starting in 1998. The process has proven to be considerably more effective in removing iron deposits. The process involves closing valves to ensure the water flowing to the one isolated hydrant is coming from only one direction. This uni-directional flushing process increases the flow velocity to the point where all removable iron deposits are flushed from the pipes. Although uni-directional flushing cost is greater on a unit cost basis, it can be applied less frequently.

The existing water distribution system has a number of "dead ends", which cause problems in the operation of the system. In order to maintain uniform pressures in the system, ensure high water quality, and provide adequate flow to fire hydrants, dead ends should be avoided. Where possible, the watermains should be "looped", or connected to another line. This is possible in fully developed areas where there are other lines with which to connect. However, it is not practical to do this in areas on the edge of the city or cul-de-sac's. The City has an ongoing capital program that addresses the reduction of the number of dead ends, thereby increasing the security of the overall system.

The water distribution system includes over 6,000 valves. The valves should be in working order to shut off the water for repair and when flushing watermains. The valves are checked periodically and repaired or replaced as necessary. In many cases, the valve is functioning properly but the casing surrounding the rod used to turn the valve is damaged or filled with dirt. A new method of excavation, called hydro-excavation, uses high pressure water and vacuum to loosen and remove soil for repair access. The method is quicker and leaves a smaller excavation. Traditional excavation methods are applied where the entire valve requires replacement.

Watermain Valve Statistics	**2001**	**2002**	**2003**	**2004**	**2005**
Valves Replaced (#)	27	38	40	20	28
Unit Replacement Cost ($)	6,430	5,475	5,636	5,833	5,902
Valves Repaired (#)	105	89	80	83	78
Unit Repair Cost ($)	1,499	1,607	2,393	1,359	1,429

The City operates a system of fire hydrants in order to provide water for firefighting purposes. The National Fire Code sets out standards for fire hydrants, and indicates that regular maintenance is required. The City uses *Water Supply for Public Protection – A Guide to Recommended Practice (1981)* published by the Fire Underwriters Survey as its standards for fire hydrant inspection and maintenance. These standards include checking hydrants on a regular basis to ensure they are functioning properly and available for use in the event of a fire; repairing and replacing any malfunctioning hydrants; repainting each hydrant every five years; and installing hydrants in new areas to ensure a hydrant is available within the specified distance of all buildings. The parts from damaged or obsolete hydrants taken out of service are salvaged and reused whenever possible.

Hydrant Statistics	**2001**	**2002**	**2003**	**2004**	**2005**
Hydrants in Service (#)	3,829	3,861	3,898	3,949	3,991
Hydrant Replacements (#)	27	19	16	11	15
Unit Replacement Cost ($)	8,072	8,492	8,505	8,356	9,271

The unit cost is for an emergency replacement, and does not include the cost of a hydrant lead pipe, or temporary water supply to customers while the water is turned off. When hydrants are replaced during planned work the cost is approximately $10,000 which includes a new lead pipe, valve and temporary water supply.

Work done on service connections range from minor repairs at the curb box, to the repair or replacement of the entire service connection. Water must be turned on and turned off at the customer site for reasons such as transfer of ownership of a home, new customers, breaks in waterlines on the customer's property and unpaid accounts. The water is turned on and off by turning a rod attached to the valve beneath the soil surface. At times, these rods and valves (curb boxes) may first have to be repaired. One 24-hour emergency service crew handles water leaks, complaints and other trouble calls. Lower unit costs for curb box repairs have been possible since 1998 with the introduction of hydro excavation.

Service Connection Statistics	2001	2002	2003	2004	2005
Connection Leak Repairs (#)	365	298	438	385	267
Unit Repair Cost ($)	4,330	3,788	4,111	3,708	3,599
Curb Box Repairs (#)	654	553	714	627	669
Unit Repair Cost ($)	991	793	799	824	907

Customer complaints or meter readers identify problems with water meters. The problems are typically investigated in the field by meter shop staff. New meters are installed to replace malfunctioning meters, as well as for new customer sites. Meter interface units are installed on all meters so that readings can be obtained with the AMR system.

Meter Installation and Repair Statistics	2001	2002	2003	2004	2005
Meters in Service (#)	58,849	60,200	59,716	60,158	60,731
Meters Installed - City (#)	425	446	475	813	710
Meters Installed - Contractor	-	-	32,500	18,800	-
AMR Units Installed - Contractor	-	-	36,300	20,800	-
Meters Overhauled (#)	600	600	365	601	560
Service Calls (#)	4,459	5,082	4,331	6,162	5,292

Water Consumption

The 2006 budget is based on an estimate of billable water consumption of almost 24 million cubic metres. About 62% of the consumption (14.8 million cubic metres) is for residential properties, 11% (2.5 million cubic metres) for multi-residential properties, and 27% (6.5 million cubic metres) is for non-residential properties.

The City has had a Water Conservation Program since 1985 and initiated an enhanced program in 1991. The primary goals of the program are to reduce the average per capita water consumption and the peak day water use. The following table provides information on the total water supplied and water use.

Water Supply and Use	2001	2002	2003	2004	2005
Total Water Supplied (mega litres)	29,931	27,180	30,120	27,021	26,799
Average Water Use per capita per day (litres)	423	387	426	395	377
Winter Water Use per capita per day (litres)	372	351	353	367	350
Summer Water Use per capita per day (litres)	496	437	528	435	414
Peak Day Water Use (mega litres)	152	133	149	121	128

The Water Conservation Program continues to be successful. The average water consumption has been reduced by approximately 8.8% since 1991. The population of the city has increased by approximately 5% over the same period. Annual water consumption has decreased from a high of 35 million cubic metres in 1988 to an average of 24 million cubic metres since 1993. The following table provides the history of metered water consumption.

Metered Water Consumption
(Million Cubic Metres)

Year	Metered Water Consumption	Year	Metered Water Consumption
1992	26.2	1999	23.9
1993	23.9	2000	23.3
1994	23.1	2001	24.3
1995	23.4	2002	24.0
1996	24.9	2003	25.0
1997	25.5	2004	22.4
1998	24.4	2005	21.8

Note: Water from Buffalo Pound is measured in mega litres (millions of litres). Water consumption for customers is measured in cubic metres.

Water Quality Monitoring

Water quality monitoring activities include:

- Administering the Permit to Operate Water Works for operation of the water system, including water quality monitoring of all water sources and the distribution system, and maintaining records related to the safety and operation of the water system.
- Carrying out supplemental testing to gather water quality data from the water distribution system.
- Communicating information about water quality to the public.
- Efforts to protect the city's water source at Buffalo Pound Lake and the Regina area aquifers.

Water Loss Reduction

All water utilities experience a certain amount of water loss. Water loss is the sum of water leaks plus water usage that is not metered and thus not billed to a customer. Water used to suppress fires and some irrigation are examples of water use that is not metered. Water lost through watermain breaks is an example of leakage. Unaccounted water can also result from inaccurate meters. A water loss goal of 10% is considered to be good practice for water utilities in North America. An objective has been established to reduce the water loss rate below 10%.

Water loss in 2005 was approximately 5.0 million cubic metres, slightly more than the five year average of 4.7 million cubic metres. One explanation for the higher water loss is the longer time that watermain breaks leaked until being repaired during the month of September.

A Leakage Management Project was initiated in 2005 in cooperation with the National Research Council. The project will determine the amount of hidden leakage from portions of the water distribution system which have either asbestos-cement or PVC watermains. Temporary water districts are supplied from a single pipeline while a portable water meter is used to measure the supply volume. Normal water meters are used to measure the water used in all the buildings within the district and the difference is leakage from the water system. Sophisticated leak noise correlators will be used to find hidden water leaks so they can be repaired. The project field work is scheduled to be done in 2006.

Regina's water loss volume was expected to decrease after the water meter replacement project changed most residential water meters in 2003 and 2004, and the automated meter reading system consistently provided actual meter readings from all buildings. While that project has provided improvements to metering accuracy and billing, other sources of water loss and unaccounted water have increased. One of the keys for reducing water loss is to identify the actual sources. In addition to the Leakage Management Project, work will continue in 2006 on quantifying unmetered water used for fire fighting and training, sewer main flushing, street sweeping, as well as water lost from watermain breaks. Plans to reduce water loss will then be implemented.

Water Volumes (million cubic metres)	2001	2002	2003	2004	2005
Total Water Supplied	29.9	27.2	30.1	27.0	26.8
Billed Consumption	24.3	24.0	25.0	22.4	21.8
Unaccounted Water	5.6	3.2	5.1	4.6	5.0
Unaccounted Water as a Per Cent of Total Water Supplied (%)	18.7	11.8	16.9	17.0	18.7

Water Conservation Program

The Water Conservation Program consists of identifying information that should be provided to the public on methods of conserving water, and communicating the information by means such as:

- Brochures.
- Web page information.
- Appearances on local television and radio shows.
- School visits.
- Appearances at local trade shows, such as the Home and Garden Show.
- Xeriscape landscaping workshops.

A survey of Regina residents to determine levels of awareness and participation in water conservation was carried out in late 1998. The survey indicated that nearly three-quarters of Regina residents practice water conservation, over half recall promotion of water conservation, and a significant number felt water conservation advertising made them more likely to conserve water. Awareness of and adherence to the outdoor watering schedule fell somewhat from the previous survey.

Water conservation efforts have been effective to date. As part of the Long Term Water Utility Study, water consumption was predicted both with and without the impacts of a Water Conservation Program. The next table shows the impact of conservation efforts has been more successful than predicted.

Water Consumption	Study Predictions for 2001 with Water Conservation	Study Predictions for 2001 without Water Conservation	2005
Annual Average Per Capita[1] (litres per capita per day)	513	564	377
Annual Average Day (million litres)	98	109	74
Peak Day (million litres)	244	271	128
Peak 3-Day (million litres per day)	191	212	125
Population Estimates	200,408	200,408	199,000

Note: Per capita water consumption is the entire volume of water used by all customers, including industrial and commercial, divided by the population.

A portion of the decrease can be attributed to factors such as reduced industrial water use, revised population figures, increases in water rates and weather conditions; however, water conservation is a significant factor.

Cross Connection Control and Backflow Prevention Program

Water quality can be compromised by the introduction of contaminants into the distribution system. This can occur wherever there is a cross connection, which is a link between the drinking water supply and the source of contamination such as a pesticide container on a garden hose or a boiler filled with anti-corrosion chemicals. Various conditions can cause backsiphonage and/or backpressure in the water supply system. This can cause the domestic water to move in the opposite direction and take with it any materials it is in contact with or mixed with. The result is the water supply to a building or neighbourhood becomes polluted or contaminated.

The Cross Connection Control and Backflow Prevention Program was established in 1996 to reduce the possibility of contamination from such causes. Since the program was established, all new facilities have been reviewed for backflow prevention requirements through the building permit process. The 3,000 existing commercial, institutional and industrial facilities are being inspected by the City. Any backflow requirements are identified and a one-year time frame given to become compliant.

The four primary components of the program are:

- Public education and awareness.
- Inspections of 3,000 commercial, industrial and institutional facilities.
- Administration of the annual testing of testable backflow prevention assemblies.
- Review of appropriate building permits for new facilities.

Cross Connection Control and Backflow Prevention Statistics	Program Inception to December, 2005
Existing Facilities Inspected	1,893
New Facilities (Building Permits)	758
Existing Facilities Inspected and Compliant	1,690
Existing Facilities Inspected and Non-Compliant in the Current Year	103
Existing Facilities Inspected and Still Non-Compliant after One Year	858
Testers Licensed	82

Wastewater

Initiatives for 2006

- The wastewater collection study assessment is continuing. In 2006, a review of the completed study's recommendations will be concluded and a long term plan to operate, maintain, upgrade and expand the wastewater collection system will be developed. The work plan will address issues such as the remaining service life of system components, sustainability of the wastewater collection system, system expansion, potential bylaw changes and the need for an overall asset management plan.

- Complete construction of the Dieppe area wastewater lift station, in conjunction with the major drainage improvements in the area.

- Complete a conceptual design for wastewater servicing in the southwest area of the city west of Lewvan Drive.

- Reconcile a work plan for future wastewater forcemains and gravity sewer trunks to the wastewater treatment facilities through a task force and engineering study.

- A sewer and water inspection and repair policy will continue to be developed that will address requirements for the frequency of inspection and repair of utility assets. Once complete, the policy will assist in settling claims arising from breaks or backup from sewers and water lines and interruption of service. The sewer line cleaning and frequency would be stated in the policy to ensure the community that this asset is in reasonable operating condition, relative to industry standards and other maintenance operations.

- Engineering pre-design studies are planned to start in 2006 for the wastewater treatment plant upgrade/expansion project.

- Detailed engineering for design and implementation of the methane gas utilization project is proposed to commence in 2006. This project will essentially fully utilize methane gas generated at the wastewater treatment plant thereby optimizing digester gas energy capture and utilization.

Status of 2005 Initiatives

- Initiation of a pre-design study for wastewater forcemain expansion and replacement that was planned for 2005 was delayed pending further resolution of concepts for future wastewater forcemains and wastewater trunks required to serve new development.

- Conversion of engineering drawings to digital format was commenced in 2005 through contracted drafting services and will continue through 2006 and 2007.

- Approximately 50% of the Dieppe area wastewater lift station was constructed in 2005.

- The Wastewater Collection System Assessment Study was presented.

- A long term planning study of sewage treatment requirements was completed in late 2004. In 2005, findings were reviewed and assessed in consultation with Saskatchewan Environment and capital budgeting developed to implement the recommendations.

- Remedial or preventative maintenance improvements on forcemains were completed including the secondary valve chamber and valve chamber bypass.

- The biosolids to agricultural land initiatives was curtailed in 2005 with all produced and stock-piled biosolids delivered for the landfill composting trial to produce topsoil for future landfill closure cover needs. Biosolids to agricultural land remains an approved alternative disposal option for the wastewater treatment plant in future years.

- Design was completed and construction initiated for a control and service building addition to the Wastewater Treatment Plant Administration Building. The building will incorporate change rooms and lockers and will replace the temporary trailer office space for plant supervisory and technical staff. Completion is expected by June 2006.

- A Receiving Environment Study was undertaken and completed in 2005. This study examined water quality, aquatic biology and habitat in the downstream water bodies that accept the treated wastewater. The results of the study will be reviewed and assessed and utilized to guide future further proposed receiving environment assessment studies.

- The sewer and water inspection and repair policy has been incorporated into the asset management strategy for underground water and sewer infrastructure. Progress was made in documenting sewer practices for legal claims. The present benchmarking with other cities of the sewer infrastructure has been expanded in 2006 to include the water infrastructure.

Wastewater System Overview

The wastewater collection and treatment system collects sewage from residential, institutional, commercial and industrial customers in the city. Wastewater treatment and final effluent meets provincial environmental standards. Service goals include:

- Collecting residential, commercial and industrial wastewater in the city and delivering it to wastewater treatment facilities.

- Producing a treated wastewater effluent that is biologically and physically safe for the environment and which meets the requirements of the provincially issued operating permit.

- Ensuring solids removed from the wastewater are treated and disposed of in an appropriate manner.

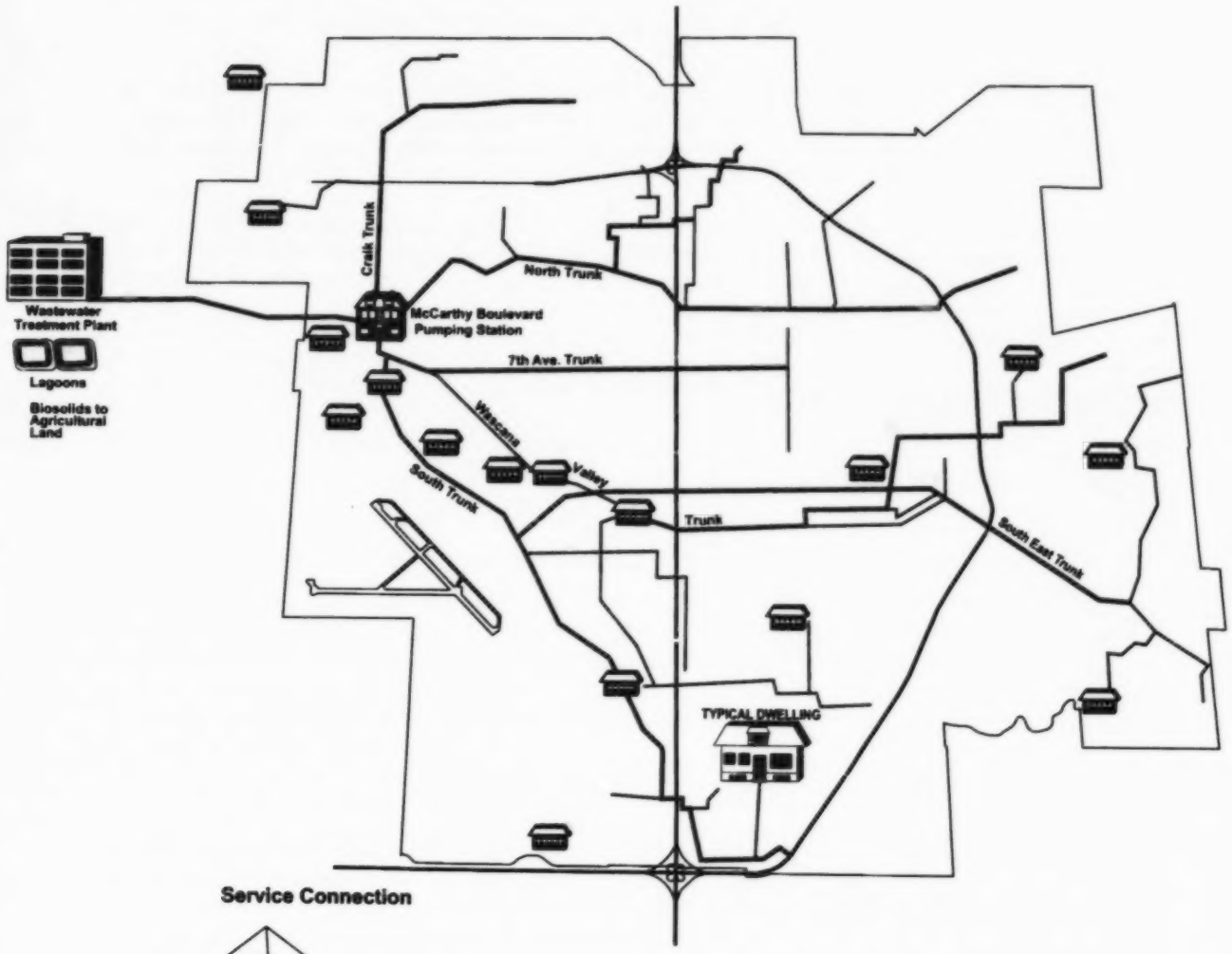
Components of the wastewater system shown in the map on the next page include:

- **Service Connections** – Building plumbing systems are attached to the wastewater collection system by a service connection pipe. The City owns and is responsible for the maintenance of the service connection pipe on the "City side" of the property line.

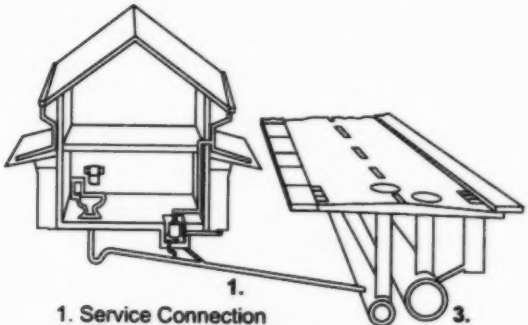
- **Collection Mains and Trunk Mains** – The service connection pipes are attached to wastewater collection mains which are typically 200-250 mm in diameter. The collection mains drain into trunk mains which are 300 mm or more in diameter.

- **Manholes** – Over 15,000 manholes provide access to the wastewater collection system for maintenance and repair.

WASTEWATER SYSTEM



Service Connection



1. Service Connection
2. Wastewater Collection Line
3. Drainage Line (Storm Sewer)

Wastewater Sewer Main

Lift Station

- **Lift Stations** – Wastewater flows through the collection system by gravity. In low-lying areas in the city lift stations must be used to pump the wastewater to collection and trunk mains at a higher elevation. Wastewater then continues to flow by gravity from that point eventually reaching the McCarthy Boulevard Pumping Station. There are 16 lift stations in the wastewater collection system.

- **McCarthy Boulevard Pumping Station** – All wastewater collected in the city flows to the McCarthy Boulevard Pumping Station. The station provides screening and continuous transfer of wastewater from the collection system to the wastewater treatment facilities five kilometres west. The McCarthy facility is capable of transferring wastewater at up to five times the average daily rate. The station is also the location where commercial septic tank haulers offload into the wastewater system.

  Much of the material dumped at the McCarthy Station is hauled from outside the City. This traffic and odour from the station are a concern. The City and the Rural Municipality of Sherwood are in continuing discussions with the goal of phasing out the McCarthy station dump site and providing a new location, easily accessible to rural haulers.

- **Wastewater Treatment Plant** – The plant processes wastewater through four stages of treatment:

  - Primary treatment removes, sand, grit and organic material from the sewage.

  - Secondary treatment reduces dissolved organic material through the use of aerated lagoons.

  - Tertiary treatment removes phosphorus, algae and suspended solids by using aluminum sulphate and polymer.

  - Ultraviolet light is used to disinfect the effluent before it is released into Wascana Creek.

Wastewater System Objectives

The provision of wastewater collection and treatment services is critical to the health and environment of the citizens of Regina and surrounding area. Objectives for wastewater collection and treatment are:

- **Quality of Sewage Effluent** – Treated wastewater from the City's wastewater treatment plant is discharged into Wascana Creek, which flows into the Qu'Appelle River upstream from the town of Lumsden. Saskatchewan Environment establishes criteria for sewage effluent that each wastewater facility in the province must follow. The major criteria are total phosphorus, fecal coliform bacteria, biological oxygen demand and suspended solids in the treated effluent discharged to Wascana Creek.

- **Reliability of the Collection System** – Improperly functioning wastewater collection systems cause inconvenience, and health and safety concerns. Problems such as blockages and leaks can result from deterioration of pipes, sags and breaks in wastewater collection lines and connections caused by shifting soil, tree roots and foreign materials in the lines. To prevent these problems regular inspection and maintenance programs are carried out.

- **Separation of the Drainage System from the Wastewater Collection System** – The wastewater collection and treatment system is adequate to handle the day-to-day wastewater flows from the city. During rainfall and snow melt events, drainage water enters the wastewater collection system through basement sump pits connected to weeping tile drainage, catch basins inadvertently connected to the wastewater collection system, and infiltration through pipe cracks and openings such as wastewater manhole covers. Reducing the amount of drainage water entering the wastewater collection system can postpone large expenditures required for trunk mains and treatment plant expansions. Work is being done to reduce infiltration to both new and existing wastewater mains and trunks.

- **Odour Control** – One of the by-products of wastewater treatment and collection is odour. Such odours are unpleasant for nearby residents and staff. Reduction of effective odours is accomplished by the use of containment, chemicals and aeration lagoons. The chemicals are used to tie up the dissolved sulphide that causes odours. The aeration equipment injects oxygen into the wastewater, preventing a septic environment that produces strong odours.

- **Efficiency of Operations** – Electricity is primarily required to operate pumps and aeration blowers at the wastewater treatment plant. Chemicals such as aluminum sulfate and polymer used to remove phosphorus are a significant cost of operating the wastewater treatment plant. To minimize costs, it is important to make effective use of chemicals required to meet effluent targets. The most efficient use of electricity, chemicals and other inputs is accomplished by dynamic automatic process control and laboratory based performance information at all stages of the treatment process.

- **Maintaining Treatment Capacity** – Regina uses five aeration lagoons in its secondary treatment process. Over the years, as solids settle to the bottom of the lagoons and aeration systems deteriorate, capacity is diminished. To maintain treatment capacity, new lagoons must be built or old lagoons must be refurbished.

Wastewater Collection

To identify and prevent problems in the wastewater collection lines, the lines are cleaned and inspected, on average, once every seven years. Locations with chronic problems are cleaned more frequently with high-pressure water to dislodge grease and other matter and move this material into a holding tank. In conjunction with jet cleaning, lines are inspected through closed circuit television.

Sewer Maintenance Statistics	2001	2002	2003	2004	2005
Lines Cleaned - Jet Cleaning Program (metres)	36,337	70,170	68,223	65,770	67,627
Average Cost ($/metre)	1.08	0.93	1.10	1.03	1.23
Main Repairs (#)	11	10	4	12	9
Average Cost ($/repair)	3,739	4,705	3,515	3,647	6,755
Manhole Repairs (#)	74	103	80	57	71
Average Cost ($/repair)	538	623	810	725	675

Service connections that breakdown or block too frequently are either repaired or replaced.

Wastewater Connection Statistics	2001	2002	2003	2004	2005
Connection Repairs (#)	36	28	34	37	41
Average Cost ($/repair)	3,956	4,923	3,833	4,770	5,177
Connection Replacements (#)	90	60	83	107	92
Average Cost ($/replacement)	5,854	5,162	5,936	6,118	5,669

The wastewater collection system includes the operation of 16 lift stations. Electricity is a significant cost in operating the lift stations. Ongoing electrical and mechanical equipment maintenance is required, in addition to general maintenance on the station buildings and grounds. A project to equip every wastewater lift station with Supervisory Control and Data Acquisition (SCADA) equipment was implemented in 2002.

Wastewater Treatment

The McCarthy Boulevard Pumping Station pumps all wastewater to the Wastewater Treatment Plant. High reliability and capacity are critical to ensure this facility does not cause sewer collection system backup. One of two electric pumps handles normal daily flows while three high capacity diesel pumps handle extreme flow events, which happen when storm water infiltrates the sewer system during rainstorms or sudden snow melts. Screenings removed at the station are disposed of at the sanitary landfill.

McCarthy Boulevard Pump Station Statistics	2001	2002	2003	2004	2005
Total Annual Flow (Million Litres)	26,062	26,354	25,801	27,015	25,721
Bypass Flows (Million Litres) (Target: 0)	0	0	0	0	0
Screening Removal (Tonnes)	191	207	215	172	150

All wastewater is treated at the **primary treatment** plant. The plant uses settlement to remove solids from sewage. The City has established a target of 60% for suspended solids removal.

Treated sludge from the primary treatment process is stock piled on site for subsequent disposal. A target of >30% solids in the sludge has been set. A higher number means drier sludge, reducing hauling costs.

Primary Treatment Statistics	2001	2002	2003	2004	2005
Suspended Solids Removals (%) (Target >60.0)	53.0	64.2	57.2	62.0	62.0
Biological Oxygen Demand Removals (%) (Target >35.0)	26.0	39.4	27.6	35.0	33.0
Solids in Cake Sludge (%) (Target >30.0)	31.9	29.3	32.5	34.0	33.0
Tonnes of Sludge (Dry Weight)	1,329	1,834	1,382	1,646	1,655

The **secondary treatment** process that removes sewage organics measured as biological oxygen demand involves the use of aerated lagoons. Large blowers are used to force air through diffuser pipes and into the wastewater. Electricity is a major cost of this function. To prevent septic conditions and thereby reduce odours, a minimum of three parts per million dissolved oxygen is maintained in the lagoons. Higher oxygen transfer efficiencies reduce energy costs.

Secondary Treatment Statistics	2001	2002	2003	2004	2005
Oxygen Transfer Per Cent Efficiency					
Lagoon 1 South	5.4	4.1	5.1	3.8	3.0
Lagoon 2A	7.9	7.2	6.8	5.9	6.3
Lagoon 2/3	5.4	3.9	4.0	7.3	4.2
Average Lagoon Dissolved Oxygen Level mg/l	5.3	4.1	4.9	5.8	5.3

The **tertiary treatment** plant removes phosphorous, algae, suspended solids, bacteria and biological oxygen demand (BOD) from the lagoon effluent prior to disinfection and release of the treated effluent to Wascana Creek. The major expenditure is for liquid alum.

It is desirable to maintain a low alum to phosphorus ratio, as this is an indicator of how much alum is used in order to remove phosphorus as required to meet criteria established by Saskatchewan Environment. In wet years, plant flow capacity limitations degrades performance and partial bypassing may be required. The average effluent phosphorus requirement is ≤1.00 parts per million.

Tertiary Treatment Statistics	2001	2002	2003	2004	2005
Alum to Phosphorus Removal Ratio (Target <33.0)	35.65	43.50	33.05	39.21	34.7
Average Effluent Phosphorus (Target ≥0.90 & ≤1.00)	0.95	0.91	0.96	0.94	0.93
Bypass Flows (Target 0) ML	-	100	612.4	419	0

Disinfection of final effluent water prior to its release to Wascana Creek is performed by ultra violet light to reduce health risks to downstream water users.

Disinfection Statistics	2001	2002	2003	2004	2005
Average of Fecal Coliform Geometric mean counts/100 ml (weekly geometric mean permit is 100/100 ml)	9.2	16.8	36.2	40.7	20.4

The wastewater treatment plant laboratory does regular daily, weekly, and monthly tests at all stages of treatment to ensure effectiveness. Research and pilot treatment projects are also carried out. Testing is routinely carried out for over 50 different parameters. Samples are taken from 20 different sites on the Wascana Creek and the Qu'Appelle River system. Records of all tests and plant performance are maintained and distributed.

Test and Plant Record Performance	2001	2002	2003	2004	2005
Lab Analyses (#)	23,541	25,648	27,001	26,463	25,917
Treatment $/Million Litres	153.62	172.15	186.29	167.36	175.95
Treatment $/Tonne of Contaminants Removed	312.20	333.42	494.80	384.82	435.20
Treatment $/Capita	21.36	24.08	26.12	23.14	23.47
Overall Contaminants Removed (%) Target > 90%	94.8	88.2	88.7	90.4	86.5

Wastewater Service Connection Refund Program

When customers report problems such as slow draining fixtures, they are instructed to contact a sewer service company to determine the nature of the problem, remedy it, and bill the customer directly. Upon presentation of the paid bill from the customer, with a complete description of the problem from the sewer service company, the City will provide partial or full reimbursement if a connection obstruction or back up occurred as a result of:

- A breakdown or severe sag in the service connection pipe on the City side of the property line.
- Blockage due to tree roots from trees on City property.
- Blockage due to tree roots from privately owned and City owned trees.
- A blocked wastewater collection main.

The total cost of reimbursements for 2004 is $113,534 (2003, $131,393). In recent years, City staff service connections when the problem is the City's responsibility to remedy. City staff serviced 1,200 connections in 2005.

Wastewater Service Refund Statistics	2001	2002	2003	2004	2005
Reimbursements (#)	2,055	2,002	1,524	1,366	960
Average Reimbursement ($)	87	87	86	83	91

Drainage

Initiatives for 2006

- Complete the Drainage Master Study. The Study will focus on the adequacy of the creeks, drainage channels and detention/retention ponds in handling runoff from the 17 subdrainage areas in the city.
- Construct Phase II of the drainage system improvements in the Dieppe area.
- Complete a conceptual design for drainage servicing in the southwest area of the city west of Lewvan Drive.

Status of 2005 Initiatives

- Completed Phase III of the Riverside Dyke Upgrade, associated landscape improvements and Wascana Creek dredging between Albert Street and Elphinstone Street.
- Completed Drainage Study for Area 12.
- Provided drainage system renewal/rehabilitation at roadway renewal locations.
- Continued the Home Flood Protection Education Program.
- Constructed approximately 75% of the Dieppe Area drainage project.

Drainage System Overview

The drainage system collects water from rainfall and melting snow in and around the city and leads it to Wascana and Pilot Butte Creeks. The system serves over 58,000 residential and commercial properties. Service goals include:

- Collecting and controlling drainage water within the city to minimize inconvenience, property damage and danger to the public.
- Monitoring the potential for flood conditions in Wascana Creek and the drainage channels and carrying out flood control measures as required.

The **Minor Drainage System** consists of the underground piping system that collects and transports small to medium amounts of drainage from rainfall, snow melt and minor storms. Components of the minor system include:

- Catch Basins – Over 25,000 catch basins located in streets and open space areas collect water and direct it into the drainage lines. Catch basins are designed to keep sand, silt and other matter out of the piping system by causing it to settle to the bottom of the catch basin.
- Lines, Mains and Trunks – There are approximately 700 kilometres of drainage lines located beneath streets. Lines and mains range from 200 mm to 1,200 mm in diameter, with trunks over 1,200 mm.
- Manholes – Over 15,000 manholes provide access to the system for maintenance and repair.

- Lift Stations – Drainage water flows through the system by gravity. There are low-lying areas where lift stations are used to pump the drainage water to a higher elevation. The water flows into a lift station at a low elevation, and is pumped to a higher level where it continues to flow through a pipe or channel. There are 11 lift stations in the drainage system.

The **Major Drainage System** is used when drainage water exceeds the capacity of the minor system and must flow over land. The major system is designed so that water will flow down roadways and land easements. Components of the major system include:

- Graded Roadways, Land Easements, Swales, and Lots – In order for the runoff water to flow over land to a point where it can be collected, the surface area must be properly sloped.

- Dry Bottom Detention Facilities – These are lower land areas constructed in open space areas such as parks. The detention facility contains outlets to and from the minor system. During periods of heavy rainfall, water that would otherwise overload the minor system enters the detention facility and is stored temporarily. The water from the detention facility then flows back into the minor drainage system at a later time when flows have gone down.

- Lake (or Wet) Retention Facilities – Lakes such as the ones in Lakeridge and Windsor Park are similar to dry bottom detention facilities, except they normally contain water all year for aesthetic reasons. When the minor system is overloaded, the water in these ponds rises, and then drops when the excess water flows back into the minor drainage system.

- Underground Detention Tanks – Underground detention tanks are also used, particularly in some of the downtown areas, to store excess water temporarily until it can be accommodated by the minor drainage system.

- Drainage Channels and Creeks – Drainage water empties into the drainage channels or Wascana Creek. The drainage channels function as very large drainage lines, with earthen banks used to control the water rather than enclosed pipelines. The drainage channels carry the runoff to Wascana Creek. Drainage from the Rowatt Flood Control Project south of Regina flows to Wascana Creek through constructed channel within the city limits.

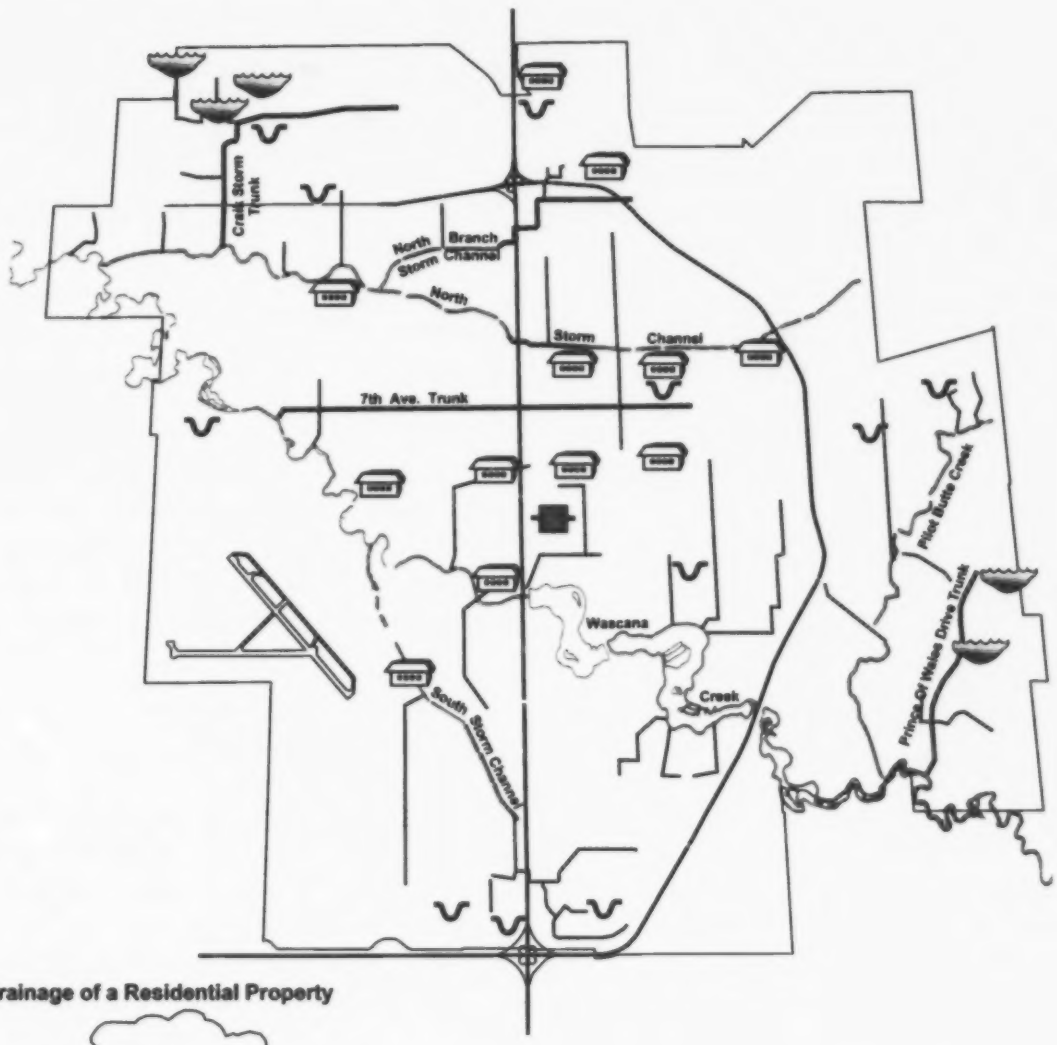
Although the major and minor systems are described as separate systems, they are part of an overall drainage system and must work in conjunction with each other. The systems are depicted in the map on the next page.

Drainage System Standards

Standards for drainage system design are normally expressed in terms of the size and type of storm a system can theoretically handle. For example, a drainage system may be designed to handle a 1:5 year storm, which means that it can handle the size of storm that statistically only occurs once in five years in the area. A drainage system designed to handle a 1:100 year storm would be able to handle the size of storm that statistically occurs once in 100 years in the area.

Statistical information is obtained from the Atmospheric Environment Service of Environment Canada to determine storm sizes. In the past, rainfall data was only available from the airport, but three new data collection points have been added around the city since rainfall can vary significantly by area. Computer modelling is then done to determine the size of other storms.

DRAINAGE SYSTEM



Drainage of a Residential Property

1. Drainage Line (Storm Sewer)
2. Catch Basin
3. Wastewater Collection Line

Lift Station

Retention Pond

Dry Bottom Detention

Underground Detention

Storm Sewer Main

Storm Channel

The following are some of the major rainstorms that have occurred in Regina over the past 30 years:

June 1975	1:25 year storm
July 1983	1:100 year storm (108 mm of rain in four hours)
June 1994	1:25 year storm
August 1995	1:25 year storm (severe hail)
July 2001	1:100 year storm (50 mm in one hour)
August 2004	1:100 year storm (76 mm in one hour)

Factors examined in determining the "size of storm" include:

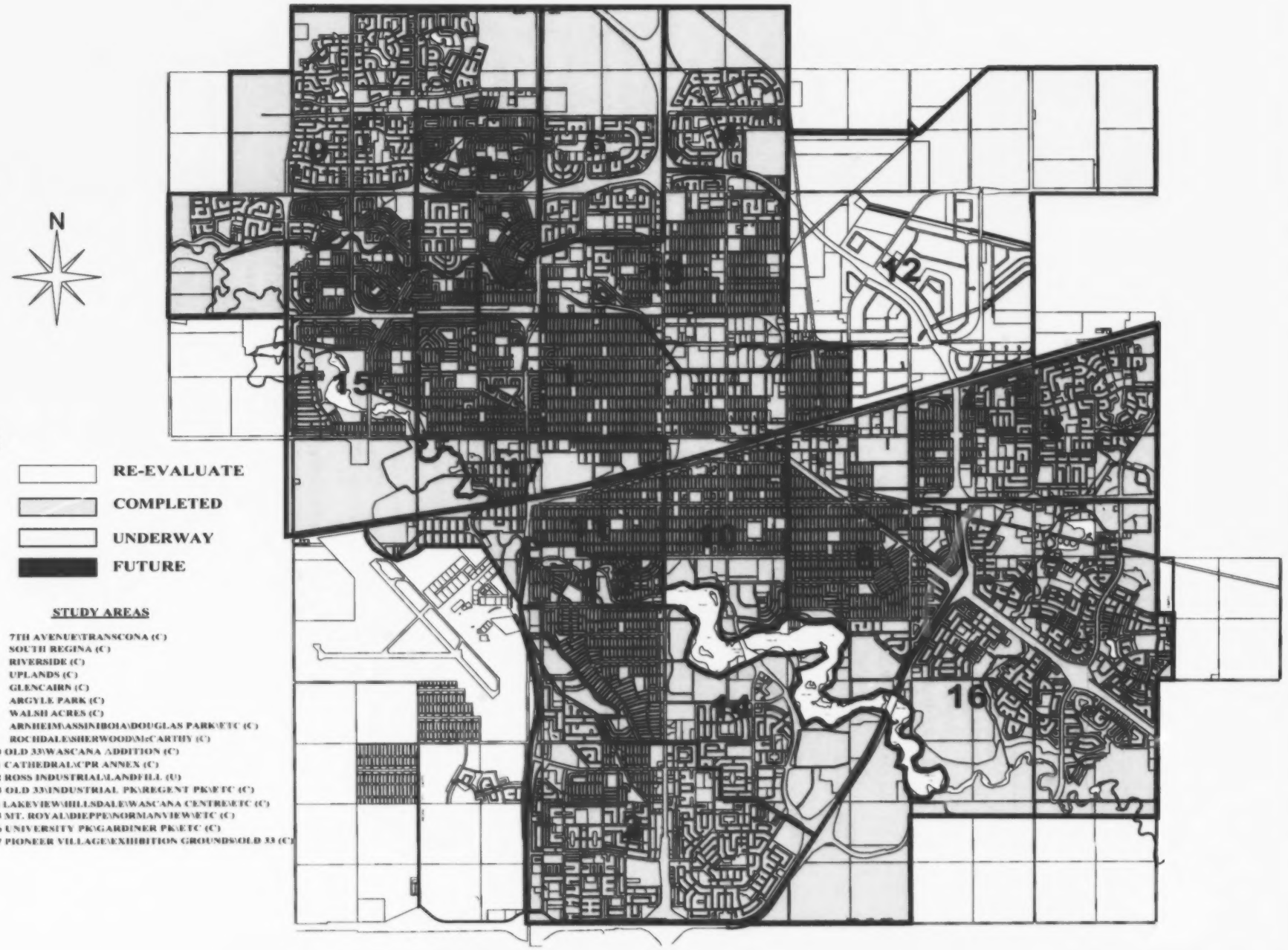
- Total rainfall volume.
- Intensity of rainfall – a storm that drops 100 mm of rain in one hour is much more difficult to handle than one that drops 100 mm over six hours.
- Previous rainfall – if the ground is saturated before the storm, no additional water can soak in. Flows in the drainage system are therefore greater.

Standards for drainage systems have been raised over time, and have been applied to new developments. However, it is very costly to retroactively apply higher standards to existing development. Details of the standards include:

- **New Development Standards** – The "minor" drainage system consists of catch basins and underground lines that quickly collect and transport water. The "major" drainage system, consists primarily of aboveground facilities such as roadways, easements, swales, and detention and retention facilities that can handle larger volumes of water.

  For new developments in the city, minor systems must be designed to handle a 1:5 year rainfall event. This corresponds with the general standard used across North America. While a higher standard would provide a higher level of service, the cost to construct underground facilities to handle larger storms is prohibitive. The major systems must be designed to handle a 1:100 year event. Until recently, the City had a minimum standard of 1:25 year event, but encouraged developers to target the 1:100 year event. This standard is now used in most larger prairie cities. The difference in costs between the two targets is not significant. As well, past experience has shown it is much more cost effective to design a new development to a high standard initially. Raising the standards in an area after it has been developed is very costly.

- **Existing Development Standards** – The City has adopted a target of 1:5 year events for existing minor systems, and 1:25 year events for existing major systems. Some areas of the city do not meet these targets. In the early 1980s, a program to study the drainage problems was initiated to identify solutions and carry out remedial measures to mitigate drainage issues. A Drainage Master Plan designating 17 areas was adopted. Conditions in each area are assessed, problems identified and potential solutions proposed. Over time, work required to address the problems is carried out through the capital program. The status of the studies is shown in the following table. A map showing the 17 areas is on the next page.



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STUDY AREAS

1 7TH AVENUE\TRANSCONA (C)
2 SOUTH REGINA (C)
3 RIVERSIDE (C)
4 UPLANDS (C)
5 GLENCAIRN (C)
6 ARGYLE PARK (C)
7 WALSH ACRES (C)
8 ARNHEIM\ASSINIBOIA\DOUGLAS PARK\ETC (C)
9 ROCHDALE\SHERWOOD\McCARTHY (C)
10 OLD 33\WASCANA ADDITION (C)
11 CATHEDRAL\CPR ANNEX (C)
12 ROSS INDUSTRIAL\LANDFILL (U)
13 OLD 33\INDUSTRIAL PK\REGENT PK\ETC (C)
14 LAKEVIEW\HILLSDALE\WASCANA CENTRE\ETC (C)
15 MT. ROYAL\DIEPPE\NORMANVIEW\ETC (C)
16 UNIVERSITY PK\GARDINER PK\ETC (C)
17 PIONEER VILLAGE\EXHIBITION GROUNDS\OLD 33 (C)

Drainage Studies

Study Area	Study Status
1. 7th Avenue	Completed
2. South Regina	Completed
3. Riverside	Completed
4. Uplands	Completed
5(a) Glencairn - South Section	Completed
5(b) Glencairn - North Section	Completed
6. Argyle Park	Completed
7. Walsh Acres	Completed
8. Arnheim/Assinboia/Douglas Park	Completed
9. Rochdale/Sherwood/McCarthy	Completed
10. Old 33/Wascana Addition	Completed
11. Cathedral/CPR Annex	Completed
12. Ross Industrial/Landfill	To be completed in 2006
13. Old 33/Industrial Park/Regent Park	Completed
14. Lakeview/Hillsdale/Wascana Centre	Completed
15. Mount Royal/Dieppe/Normanview	Completed
16. University Park/Gardiner Park	Completed
17. Pioneer Village/Exhibition Grounds/Old 33	Completed
City Wide Study - Receiving Streams & Channels	To be completed in 2006

Most of the property damage caused in Regina during intense rainstorms has been the result of basement flooding. The flooding was caused by runoff water entering the wastewater collection system, resulting in sewer overload and back up into basements. Although the drainage system is separate from the wastewater collection system, there are a number of ways storm water can enter the wastewater collection system. These include:

- Some older buildings still have roof downspouts connected to the wastewater collection system.
- Runoff water on lots with poor grading adjacent to the building enters weeping tiles and collects in basement sump pits, which then drain into the wastewater collection system.

The City has established an objective to eliminate any direct connections between drainage and the wastewater collection system. An objective has also been established to reduce the runoff water entering the wastewater collection system from basement sump pits by educating homeowners about steps they can take to prevent such problems. In addition, a bylaw amendment that would prohibit weeping tile drainage discharge to the wastewater system in new development areas is under consideration.

The most well designed system cannot function effectively unless it is properly maintained. To ensure the system functions as designed, the following objectives have been established:

- Drainage lines over 450 mm are regularly inspected and cleaned as required.
- Catch basins in areas where leaves are a problem are typically cleaned every two years and outlying areas are cleaned on a seven-year cycle.

Dykes along Wascana Creek have been constructed and flood plains are maintained to contain creek flooding. The City's objective is to prevent major damage to property and maintain public safety in the event of flood conditions. Toward that end, monitoring is carried out during spring runoff to determine the risk of flood conditions and appropriate action is taken as necessary. The City has established an objective and capital plans to upgrade dykes to meet a 1:500 flood event level, the provincial standard. The upgrading of the dykes in Riverside was completed in 2005 and those in the Dieppe area will be completed in 2006.

Drainage System Maintenance

To identify and correct problems in the drainage lines, they are cleaned and inspected, on average once every seven years. In conjunction with jet cleaning some lines are inspected by a closed circuit television camera.

Jet Cleaning Program Statistics	2001	2002	2003	2004	2005
Lines Cleaned (metres) (objective 54,987 m/yr)	56,626	73,410	58,605	60,620	50,693
Average Cost ($/metre)	1.32	1.01	1.31	1.07	1.06

Drainage system lines requiring repairs are mostly identified as a result of the TV camera condition surveys.

Drainage System Maintenance Statistics	2001	2002	2003	2004	2005
Main Repairs (#)	16	8	4	4	2
Average Cost ($/repair)	2,234	3,915	2,745	3,834	9,841
Manhole Repairs (#)	45	81	62	54	41
Average Cost ($/repair)	740	596	728	678	788

Note: The increase in the average cost per repair for 2005 resulted because there were only two repairs, one of which was under concrete and had a relatively high restoration cost.

Since catch basins are designed to keep sand and other materials out of the drainage system, they require regular cleaning. Repairs to catch basins consist of raising or lowering the grates, replacing bricks and blocks, as well as replacing broken or missing covers. In addition, broken leads between the catch basin and the drainage lines are also replaced.

Catch Basin Statistics	2001	2002	2003	2004	2005
Catch Basin Repairs (#)	104	133	85	92	98
Average Cost ($/repair)	730	656	766	767	574
Lead Repairs (#)	30	30	28	31	26
Average Cost ($/repair)	2,220	2,676	2,905	3,077	2,679
Catch Basins Cleaned (#)	3,178	4,323	4,255	3,960	2,917
Average Cost ($/catch basin)	42	31	27	24	31

Forecasting and Controlling Floods

Flood conditions on Wascana Creek are relatively rare. In 1996, high snowfall caused flood conditions along the creek. Creek flows were projected to be 85 cubic metres per second, or a 1:30 year flood. Although the actual peak levels were not as high as the initial predictions, it was necessary to take preventative action. Costs were incurred for labour and equipment for sandbagging and pumping water out of flooded areas, as well as repairs for some City owned structures damaged along the creek, such as the Pinkie Road Bridge. In 1999, flood control costs were incurred as a result of a large snow accumulation late in the winter, followed by a very quick spring thaw. The estimated creek flow was 40 cubic metres per second, or a 1:10 year event.

Forecasting flood conditions involves communicating with provincial agencies regarding snow volumes and predictions for spring thawing. Early in the year, Saskatchewan Watershed Authority conducts assessments of the snow cover in the Wascana Basin, as well as other areas around Saskatchewan. If the conditions warrant further concern, additional monitoring takes place. As the spring thaw begins, water flows are measured throughout the creek system.

Budgets are prepared assuming spring runoff levels of an average year, where no special flood control measures are required like sand bagging and pumping behind the dykes when drainage line outlets are closed. The budget covers the cost of monitoring conditions on Wascana Creek and the drainage channels, as well as putting up barricades in areas where thin ice and water levels could pose a danger to the public.

Home Flood Protection Education Program

This program informs homeowners about the causes of basement flooding and the measures they should undertake on their property to prevent flooding damage from intense summer rainstorms. The program involves media advertising, door to door contact, an information trailer, display of a physical model of a typical home illustrating flood protection measures, flood protection classes, a mail out home flood protection education kit and City Page internet flood proofing information. Flood proofing measures on private property are the parallel component of the storm drainage upgrading program. Mitigation measures are required on both City and private property to accomplish neighbourhood service level improvements for managing large summer storm events and minimizing property damage and risk.

The program is concentrated between June and September during the time when most severe summer rainstorms occur and the public interest in drainage mitigation measures is greatest.

In 2005, direct contact was made with 376 homeowners and program information was provided to 657 other homes. All homes were provided with a Home Flood Protection guide at a minimum. The Home Flood Display was presented and manned at four home supply centres with a total of 549 visitors. Over 300 Home Flood Information Kits were handed out or mailed to residents in 2005. There were 44 site visits conducted at the request of residents.

Engineering and Operations Administration

The majority of the information regarding water, wastewater and drainage services is provided in the preceding sections. The operating budget summary includes costs related to Engineering and Operations Administration.

Objectives for the planning, design, operations and maintenance engineering include:

- **Long Range Planning** – In order to meet customer demands, water, wastewater and drainage systems require high levels of capital investment. It is necessary to anticipate and plan for future requirements so that the necessary future investment can be provided. To accommodate this, the following objectives have been established:
  - Long range plans (20 to 25 years) should be carried out regularly for each of the three major utility systems.
  - Ongoing conditions should be monitored and the long range plans updated as new information becomes available.
- **Effective Management of Capital Program** – The Engineering and Works Department provides planning and design engineering services for the Utility. All capital projects should be completed within their established timelines and budgets.
- **Establishment of Construction Standards** – Standards are developed for all infrastructure construction, including those relating to the utility systems. These standards are applied to construction carried out by City crews, contractors and developers. Over time, standards evolve as new construction techniques and materials become available. The objective of these standards is to optimize performance and minimize the life cycle cost for the provision of the services.
- **Public Education** – There are a number of areas within the utility operations where customer actions can collectively affect service and costs. Areas where it is desirable to change customer behaviour, such as the manner in which they use the systems, are regularly identified. Public education is then carried out in an effort to change customer behaviour. General awareness is also considered part of public education and is run as a program when required. Current programs include:
  - Water Conservation
  - Cross Connection Control and Backflow Prevention
  - Home Flood Proofing
  - Creekwatch
  - Wastewater Discharge Practices

Engineering and Project Management

The Water, Engineering, Wastewater and Drainage Section, Environmental Engineering Section, and Development and Technical Services Division of the Engineering and Works Department and operations engineering staff are responsible for planning, designing and supervising construction of the Utility systems infrastructure. A primary responsibility is overseeing the annual capital program. Projects carried out range from annual infrastructure renewal projects to less frequent major projects such as water treatment or wastewater treatment plant expansions. Engineering and design work may be done in-house or by an external engineering firm. Construction work may be done by Engineering and Works Department crews or by external contractors. The resources used for projects depend upon the nature of the project, the availability of resources, and the expertise required.

Environmental Monitoring

Environmental monitoring activities include:

- Ground water monitoring at the sewage treatment plant.
- Surface water quality monitoring in the City's four retention lakes.
- Stormwater quality monitoring of urban drainage discharge to Wascana Creek and Wascana Lake.
- Snow dumpsite runoff monitoring.

Review of Development Proposals

Much of the City's water, wastewater and drainage systems are constructed by City forces, or by contractors under the direction of City staff. In the case of new development and re-development of existing areas, developers are responsible for constructing infrastructure including water, wastewater and drainage systems. This construction forms part of the utility systems, and the City assumes responsibility for operation and maintenance of the systems.

Development proposals are reviewed by Engineering and Works to ensure design and construction meets City standards. Installations that do not meet City standards are identified and corrected by the developer.

Technical and Engineering Support

Engineering and Works Department technical and engineering staff provide support to the field personnel responsible for maintaining the water, wastewater and drainage systems, and for carrying out capital construction work for projects done in-house.

In addition, staff provide construction scheduling, construction coordination and administrative and technical construction management services, which includes:

- Establishing, monitoring, and updating construction schedules.
- Coordinating construction with utility companies.
- Tracking and monitoring expenditures of various capital projects.
- Estimating the costs of water and sewer construction projects.
- Reviewing and analyzing unit cost information.

Customer Billing and Collection

Initiatives for 2006

- **Re-sequencing of Water Meter Routes** – The meter reading routes currently used were originally designed to accommodate walking routes. With the implementation of the automated meter reading system (AMR) these routes are no longer the most efficient use of the staff time. A large scale change is required to re-order the meters into new routes. At present, there are 21 drive-by reading routes. The number of routes will be reduced to 15 routes with one route read per day. Reducing the reading days to 15 would permit the option of monthly billing.

- **Landlord Agreement** – Landlords may enter an agreement with the City to assume responsibility for billing whenever a tenant moves out. The service fee is then waived for the landlord. This also ensures that the water service is not disrupted. In order to provide better service to the customer and improve the efficiency of the process, new policies and procedures will be developed and implemented. As well, the area will explore the possibility of working together with SaskPower and SaskEnergy to provide a streamlined solution for customers.

- **Monthly Billing Study** – Conduct a study of moving from bi-monthly to monthly billing. Review the practices of other utilities and other municipalities. Conduct a cost benefit analysis for monthly billing and the impact on customer service. Provide a recommendation on the timing cycle for billing and the use of technology to enhance service delivery.

Status of 2005 Initiatives

- **Utility Billing Restructuring** – During 2005, various processes and procedures were reviewed, updated or developed to take advantage of the technologies now available. The most significant of these are:

  - New processes have been developed for managing irrigation services with the meter shop, especially in relation to use of automated meter reading (AMR) to monitor appropriate application for service.

  - Development of processes for managing missed and problem reads from the AMR system.

  - Use of hand-held reading devices to monitor inactive accounts, especially those cut off for non-payment, to ensure that the water service is not being used.

  - In conjunction with the Meter Shop, development of processes to manage workloads and ensure that requests for service are handled in a timely manner.

- **Utility Billing and Customer Service System** – A project proposal to upgrade the existing Indus Advantage CIS system was submitted to Information Systems and approved. This system has been very stable and reliable over the 6 years since the last major upgrade, and the vendor has provided a high level of support. A new version of the software became available in late 2005. This version contains significant technological and functional upgrades but will require considerable internal and external resources to implement. A capital expenditure of $350,000 has been requested to cover the costs of this upgrade.

- **Collection Module** – When a Utility account enters delinquency, it follows one of two paths. If the account holder can be identified as an owner on the tax roll, the account is subject to tax transfer. If the account holder is not the owner of the property, the account is subject to disconnection. Significant work has been done in 2005 to streamline the collection process to eliminate the need for

manual intervention to determine the appropriate collection path for delinquent accounts. In implementing deposits, it was necessary for an on-going process to be developed to match properties on the tax roll to premises on the Utility Billing system. This process has been done on an "as-needed" basis in the past and has been very time-consuming. As part of the Automated Meter Reading project, it was necessary to obtain and record global positioning data for all of the meters installed. This, in turn, has provided the information necessary to develop a GIS map layer for water meters, which can then be used to link to assessment data, making a match to the assessed property. With this match, utility accounts are being split into the two collection streams though electronic matching of names.

- **Database Upgrades** – While some minor database changes were made in 2005, major work was deferred until the Indus Advantage CIS upgrade project in 2006. Some of the upgrades planned for 2005 will no longer be needed after the CIS upgrade, while others will be incorporated into the upgrade plan.

- **ExpressAddress Phase II** – Additional automation was implemented in ExpressAddress with the implementation of an automated e-mail process to notify customers that their application has been accepted and processed. This notification process also serves as an audit function to ensuring that all applications are handled. The number of applications processed through ExpressAddress is continuing to increase. Further upgrades to the automation of the ExpressAddress process are not scheduled; however, the volume of applications received will continue to be reviewed and upgrades scheduled when justified based on the volume of applications.

Customer Service

The Revenue Administration and Assessment Department's priority is providing customers with an exceptional level of service. This priority is applied to all aspects of operations, especially in contact with external customers, but also in dealings with internal customers and in responses to questions and requests for information. Objectives for customer service include:

- Customer applications for water services and disconnections are handled accurately.

- Customers can access information about their bill and receive prompt responses to their inquiries.

- Payments can be made using convenient payment methods.

- All service requests are processed within a reasonable time frame, given the nature of the service required.

Customer call centre volumes are monitored to ensure key performance indicators (KPI) are being met. The two primary KPIs are that calls are answered within 25 seconds, 75% of the time and that abandoned calls are kept below 5%.

Customer service is accessible by telephone, mail, fax, in-person and electronically via the City website. Internet requests and e-business inquiries continue to increase and this continues to be an area of focus. Continued awareness of customer needs to access information and services quickly and efficiently in the manner of their choosing is the focus of customer service efforts.

The Division's one stop shop approach provides customers with information relating to the Division's services through one central contact number. By directing customer calls to the area concerned, staff ensure that the customer is dealt with effectively and efficiently at their first point of contact.

The Division strives to ensure customer satisfaction on every occasion in the five essential elements of service: timeliness, knowledge and competency, courtesy, fair treatment and final outcome. When all five of these elements are in place, customers rate the services provided highly. The goal of the customer service area is to ensure satisfaction in every one of these areas with every customer.

The Division concentrates on establishing, exceeding and reviewing the needs and expectations of customers. The goal is to ensure that appropriate access to service is provided and that customers are informed of how and where to find the services they need. The Division is committed to "getting it right the first time, every time".

Customer Service Statistics	2001	2002	2003	2004	2005
Calls Offered (#)[1]	105,954	101,367	100,943	94,358	84,930
Calls Answered (#)	101,048	95,875	93,907	89,243	79,781
Calls Abandoned (%)	3%	4%	5%	4%	5.2%
Cashier Utility Transactions (#)	48,115	45,727	46,043	45,269	41,551

Note 1: Total calls offered cover the services of Utility Billing, Property Assessment, Property Taxation, Parking Tickets, Animal Control and any other services provided by the Revenue Administration Division.

Administration, Billing and Collection

Objectives for billing and collection include:

- Customers are billed every two months.
- Customers receive accurate and timely bills.
- New payment methods are introduced where they can provide convenience to the customer, and where they are cost effective.
- Collection action is taken as required.
- Percentages of overdue accounts and uncollectible accounts are at a reasonable level.

The administration of customer accounts and the billing and collection function includes:

- Managing customer accounts, including setting up new customers, discontinuing accounts and transferring accounts from one individual to another. There is also a requirement to manage contracts with out-of-town water users who receive water from the City.
- Managing activities related to water meters includes obtaining meter readings and handling turn ons or turn offs of water lines. Customers are divided into automated meter-reading routes so the meters are read accordingly to a bi-monthly schedule.
- Water services must be connected and disconnected in response to customer requests and as a result of collection efforts. The following table provides information on the number and reasons for turn offs and turn ons.

Turn On/Turn Off Statistics	2001	2002	2003	2004	2005
Daytime Turn Ons (#)	1,833	1,682	1,511	2,035	2,338
Daytime Turn Offs (#)	2,110	1,973	1,997	2,486	2,568
Turn Offs Due to Arrears (#)	281	447	612	893	1,053
Total	4,224	4,102	4,120	5,414	5,959

- Generating customer bills – Customers are divided into billing cycles so each customer is billed every two months on average. One billing cycle is processed each working day.

- Collection efforts take many forms. Interest is added to outstanding balances which encourages timely payment. When accounts remain outstanding, payment arrangements are negotiated where possible. This includes maintaining a post-dated cheque database, as well as providing equalized payment options for utility accounts. The following table provides a summary of the utility accounts outstanding as at December 31, 2005.

Utility Receivables - December 31, 2005

Analysis of Receivables	Amount Outstanding	Per Cent of Total
0-30 Days	$ 3,540,277	64.0
31-90 Days	893,236	16.1
91-150 Days	307,161	5.6
151-365	589,820	10.7
> 365 Days	200,537	3.6
Total	$ 5,531,031	100.0

Collection efforts are not always successful. Provincial legislation provides the authority to enforce payment. There are a variety of options available which include: discontinuing utility service, transferring outstanding utility balances to the tax roll if the account is with the property owners or placing the account with an external collection agency.

When a Utility account enters delinquency, it follows one of two paths. If the account holder can be identified as an owner on the tax roll, the account is subject to a tax transfer. If the account holder is not the property owner the account is subject to disconnection. Virtually all of the accounts identified as "owner" accounts will be collected through the tax transfer. For "renter" accounts, the City has good success in collecting outstanding charges through disconnection of service, as long as the account remains active. Typically, if this option is pursued, the customer either provides payment or enters into adequate payment arrangements. When a customer moves without notifying the City, the success rate of collecting outstanding balances decreases. Once the customer account is inactive, the account is transferred to a collection agency. In most cases, the customer will have two or more bills outstanding at that time.

If a customer with an account from an old address moves to a new address, the City requires payment or acceptable payment arrangements immediately. For those accounts where the customer does not move to a new location with an account, the success rate for collection is greatly reduced. Also, these accounts do not have a high rate of success when placed with a collection agency.

In 2005, deposits were implemented for accounts where the customer does not match the tax roll, and where the customer does not have an established good payment history. It is anticipated that requiring deposits will significantly reduce the annual write-offs due to bad debts.

Debt Costs

This program includes the cost of principal and interest for debt issued to finance utility capital projects, along with the cost of the debt issue. Debt charges are made up of two elements:

- Interest – This is the cost of interest payments on all outstanding serial debentures.
- Principal repayments – These payments represent the cost to redeem the principal portion of a serial debenture that matures each year. A serial debenture does not remain outstanding in full for the life of the debt issued. As with a mortgage, a portion of the principal amount of the debt matures and is paid each year until the debt is fully mature.

The following table shows the existing annual debt charges and debt maturities.

Schedule of Debt Charges and Debt Maturities ($000's)

Year	Annual Debt Charges	Debt Maturities: Debt Maturing	Debt Maturities: Per Cent of Total	Debt Maturities: Cumulative Percentage Reduction
2006	$ 11,011.7	$ 8,900	20.6%	20.6%
2007	10,546.0	8,900	20.6%	41.1%
2008	7,167.0	5,900	13.6%	54.7%
2009	5,612.0	4,600	10.6%	65.4%
2010	5,384.0	4,600	10.6%	76.0%
2011	5,145.0	4,600	10.6%	86.6%
2012	4,898.0	4,600	10.6%	97.2%
2013	646.0	600	1.4%	98.6%
2014	616.0	600	1.4%	100.0%
	Total	43,300	100.0%	

The 2006 – 2010 Utility Capital Program requires external debt financing of $30 million in 2008, $20 million in 2009 and $60 million in 2010. The utility model includes funding for debt issuance costs and the repayment of projected debt issues based on a ten-year term and an interest rate of 6%.

Utility Capital Program

Capital Program Summary

	2006	2007	2008	2009	2010	Five Year Total
Capital Expenditures ($000's)						
Water Supply, Pumping & Distribution	**2,190**	1,890	2,000	2,090	18,790	26,960
Wastewater Collection & Treatment	**7,610**	7,290	33,990	23,320	45,690	117,900
Drainage	**4,305**	3,300	4,085	4,550	3,550	19,790
Total Expenditures	**14,105**	12,480	40,075	29,960	68,030	164,650
Capital Funding ($000's)						
General Utility Reserve	**12,265**	10,605	7,225	7,252	4,490	41,837
New Debt	**-**	-	30,000	20,000	60,000	110,000
Municipal Rural Infrastructure Fund[1]	**1,700**	1,700	1,700	1,700	1,700	8,500
Utility Development Charges	**140**	175	1,150	1,008	1,840	4,313
Total Funding	**14,105**	12,480	40,075	29,960	68,030	164,650

Note 1: The current program expires at the end of 2008. It is assumed to continue in 2009 and 2010 for purposes of financial planning.

Infrastructure Overview

Regina has a substantial investment in utility infrastructure. A challenge for Regina, and other cities, is to generate sufficient funds to maintain these assets. The gap between the annual requirement to sustain the infrastructure and the annual investment is referred to as the "Infrastructure Deficit". Regina is a relatively young city and has to some extent been shielded from the full impact of its utility infrastructure deficit since, until recently, much of the buried infrastructure was still within its expected service life.

In recent years there has been increased discussion of the infrastructure deficit faced by cities, and the need for additional funding from the senior governments and/or alternate revenue sources for cities. The Federal Government has implemented a "new deal" for cities. Components of the new deal include funding for infrastructure programs and a sharing of the federal gas tax. In 2004, the Federal Government revised the policy for GST rebates to provide a full rebate to municipalities. The Municipal Rural Infrastructure Fund (MRIF) started in 2005 and continues through to 2008. Regina's share of the funding is about $6.8 million in total or about $1.7 million per year over the four years. The 2005 Federal Budget provided a share of the federal gas tax to municipalities. Regina's share is about $3.3 million in 2005 and 2006, increasing to about $11.2 million in 2009. Issues related to the funding include:

- Funding received by Regina through senior government grant programs is directed to general and utility capital projects. To the extent that funding is used for utility capital projects, an equivalent amount is transferred from the Water and Sewer Utility to the General Capital Program. The utility budgets have been developed based on the utility receiving the full grant allocation for the Municipal Rural Infrastructure Program with an equal amount transferred to the General Capital Program. There is no gas tax funding currently projected to be used to fund utility capital requirements.

- There will be increased funding available for transportation infrastructure, including roadways. Most of the utility infrastructure is under roadways. When roadways are re-developed, utility infrastructure is evaluated and upgraded if necessary. Increased funding for roadways will result in increased funding requirements for the Water and Sewer Utility.

In 2004, City Council approved the Residential Growth Study (Report CR04-196). Implementation of the Residential Growth Study will require integration of infrastructure requirements into sector and concept plans. These plans will detail the physical and engineering aspects of the new infrastructure along with funding and phasing of the work. Current development policies are based on the provision of trunk services uniformly throughout the city, with development charges, levied pursuant to *The Planning and Development Act*, the same for all newly developed land, irrespective of location. The development scenarios adopted in the Residential Growth Study result in significantly different trunk infrastructure requirements, and hence infrastructure costs, for each of the growth areas. The intent is to implement changes in development charge rates that address the differences in infrastructure costs.

Section 22.4 of *The Cities Regulations* requires Council to adopt a capital investment strategy that includes the method used for determining capital plans respecting the waterworks. Capital requirements (capital investment strategy) are determined based on engineering and planning studies that take into account the infrastructure requirements of the utility required to meet the service goals of the utility, as determined by City Council or prescribed by legislation. Infrastructure requirements are being addressed through a series of studies. Studies recently completed or underway include:

- The Wastewater Collection System Assessment Study, completed in 2004, estimated the replacement value of the sanitary sewer system as $635 million. The study defined requirements for the long-term sustainability of the wastewater collection infrastructure. In 2006, further work will be undertaken to investigate inflow and infiltration to the wastewater collection system.

- The review of the Long Term Water Utility Plan, started in 2004 and to be completed in 2006, will provide information for the water supply and distribution system, comparable to the information generated for the wastewater collection system. A rough estimate of the replacement value for the water distribution system is $250 to $300 million, with a further $350 to $400 million for the supply system, including the City's share of the Buffalo Pound Water Treatment Plant.

- The 2006 budget includes funding, in partnership with the City of Saskatoon, for the development of a Buried Asset Repair Strategy. Approximately two-thirds of the water distribution and sewage collection systems was constructed in a thirty-year period between the early 1950s and the late 1970s. In this period, almost all of the water distribution system construction used asbestos cement pipe. Asbestos cement pipe has a reliable service life, under the conditions that prevail in Regina, of 50 years. In recent years, there has been an increasing frequency in breaks in asbestos cement pipe. This pattern will likely continue as the system ages.

- The value and infrastructure requirements of the sewage treatment plant were documented through the Sewage Treatment Planning Study. The final report was completed in late 2005. The initial Wascana Creek Receiving Environment Study was also completed in 2005. Both studies will be assessed in 2006 and will be used in developing capital plans for the wastewater treatment plant upgrade and to develop future plans to create a receiving environment water quality model.

Once the studies are completed, the full scale of the infrastructure deficit can be determined. The program presented in the 2006 – 2010 Capital Budget addresses infrastructure requirements identified to date, however, there are a number of outstanding renewal requirements that are likely to be identified as these studies are completed.

Water Supply, Pumping and Distribution

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Water Supply:					
- System improvements	**700**	300	300	400	-
- New reservoir	**-**	-	10	-	17,000
2. Water Pumping - Pumping station improvements	**50**	-	50	-	50
3. Water Distribution:					
- Water infrastructure renewal	**600**	1,100	1,150	1,200	1,250
- Watermain upgrades and improvements	**100**	100	100	100	100
- Hydrant replacement	**150**	150	150	150	150
4. Other Capital Projects:					
- Utility system upgrade	**350**	-	-	-	-
- Trench settlement remediation	**100**	100	100	100	100
- Capital project deficiency	**140**	140	140	140	140
Total Expenditures	**2,190**	1,890	2,000	2,090	18,790
Capital Funding					
General Utility Reserve	**2,190**	1,890	2,000	2,090	540
Debt	**-**	-	-	-	18,250
Total Funding	**2,190**	1,890	2,000	2,090	18,790

Water Supply

- **System Improvements** – In 2006, $300,000 is provided for decommissioning wells and pipelines that are no longer required, $300,000 to provide water metering on supply lines to customer groups outside city limits, and $100,000 for security improvements to the water system recommended in the Vulnerability Assessment Study. From 2007 to 2009, $1 million is provided for repairing and replacing main valves, air release valves, valve structures and other miscellaneous work on the 900 mm Buffalo Pound to Regina pipeline. This pipeline is 50 years old and requires improvements to provide greater reliability for the water supply to the city and reduce the number of emergency repairs. A second pipeline was completed in 2003 to add capacity and reliability and reduce electrical energy requirements for the water delivery from the Buffalo Pound Water Treatment Plant to the city.

- **New Reservoir** – In 2008, funding of $10,000 is provided to determine the location of a new reservoir at the intersection of Lewvan Drive and 9th Avenue North. This work will be done in conjunction with the update to the functional design of the interchange. Funding of $17 million is included in 2010 for the construction of additional reservoir capacity. The Long Term Water Utility Study Update has identified additional reservoir capacity as being needed to address long term water demands and to meet regulatory requirements. With the move towards using Buffalo Pound Water Treatment Plant as a single source of the City's potable water supply, the additional reservoir will ensure the ability to provide adequate treated water storage.

Water Pumping

- **Pumping Station Improvements** – $50,000 is provided in 2006, 2008 and 2010 for the addition of new equipment and replacement of obsolete equipment to improve the operation of the pumping stations.

Water Distribution

- **Water Infrastructure Renewal** – $600,000 is provided in 2006 and $4.7 million for the balance of the five-year program. This program is for replacement of deteriorated watermains and associated fire hydrants. Work is scheduled in conjunction with other infrastructure replacement and upgrading projects. In 2006, asbestos-cement watermains with chronic break problems will be addressed. A high frequency of breaks in old watermains results in high maintenance costs, deterioration of streets and sidewalks and loss of service for water customers. A joint project with the City of Saskatoon will identify long and short term strategies to address the increasing break frequency through optimizing investments. A cast iron watermain replacement program was adopted by City Council in 1979 and completed in 2001 for the replacement of full blocks of cast iron watermains. This program significantly reduced the number of watermain breaks experienced each year. Replacement of full blocks of cast iron watermains was completed in 2001. Remaining cast iron watermains in intersections are being replaced in conjunction with roadway renewal projects.

- **Watermain Upgrades and Improvements** – $100,000 is provided in each year of the five-year program to eliminate, where possible, dead-ends on watermains. Where dead-ends cannot be eliminated, a flush out is provided to allow thorough flushing of the watermain. The project is intended to eliminate water quality problems caused by dead-ends and ensure the best practical water flows to fire hydrants for fire protection. Based on current funding levels, this initiative will be completed in approximately ten years.

- **Hydrant Replacement** – $150,000 is provided each year to replace old fire hydrants at locations where streets and sidewalks are being replaced, and to replace hydrants that can no longer be repaired. Fire hydrants are also replaced through the water infrastructure renewal program. If required, emergency replacement of malfunctioning hydrants is funded in the operating budget. There are 3,991 hydrants in the city. Malfunctioning hydrants beyond repair are replaced immediately. Obsolete slide gate hydrants are replaced with compression style hydrants. At this time, 658 hydrants have been identified for replacement. Where possible, fire hydrant replacements are coordinated with other infrastructure improvements, such as watermain upgrades or renewals.

Other Capital Projects

- **Utility System Upgrade** – $350,000 is provided in 2006 for the data migration and consulting services required to upgrade the Utility Billing customer information system. Due to the significant architectural and functional enhancements of this release, the vendor will not provide the tools required for the upgrade without the consulting service package. The last major upgrade for this system was completed in 1999. The upgrade is required in order to ensure that the system is supportable.

- **Trench Settlement Remediation** – $100,000 is provided each year to correct settlement at watermain replacement locations. Cracking and settling of sidewalk, curb, gutter and pavement occur as a result of backfill settlement at watermain work locations, resulting in drainage problems.

- **Capital Project Deficiency** – $140,000 is provided each year to address deficiencies in past capital works. Of the total, $35,000 is allocated for Drainage, $35,000 for Wastewater Collection and Treatment and $70,000 for Water Supply, Pumping and Distribution. The funding is used to repair asphalt and concrete deficiencies that result from underground utility construction. The deficiencies are repaired between two and five years after the project is complete. Typical deficiencies are sidewalk settlement, pavement failures, landscape problems and drainage problems. In conjunction with the trench settlement remediation project, the City undertakes about 17 repairs each year. Approximately 160 locations have been identified as requiring work.

Wastewater Collection and Treatment

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Wastewater Collection:					
- Trunk main upgrading	**570**	70	570	70	570
- Pumping station upgrading	**50**	500	50	500	50
- Manhole upgrading	**120**	20	120	20	120
- Infrastructure renewal	**2,200**	2,400	2,600	2,800	3,000
2. Wastewater Treatment:					
- McCarthy Pump Station upgrading	**250**	-	-	-	-
- Upgrade forcemain - McCarthy Pump Station to Sewage Treatment Plant	**-**	500	7,500	-	-
- Wastewater treatment plant expansion	**1,200**	3,500	23,000	15,150	41,800
- Wastewater treatment plant improvements	**2,350**	150	-	2,100	-
- Wastewater treatment plant refurbishing	**870**	150	150	2,680	150
Total Expenditures	**7,610**	7,290	33,990	23,320	45,690
Capital Funding					
General Utility Reserve	**6,620**	6,265	1,990	1,462	1,250
Debt	**-**	-	30,000	20,000	41,750
Municipal Rural Infrastructure Fund	**850**	850	850	850	850
Utility Development Charges	**140**	175	1,150	1,008	1,840
Total Funding	**7,610**	7,290	33,990	23,320	45,690

Wastewater Collection

- **Trunk Main Upgrading** – $1,850,000 is provided in the five-year capital program to undertake wastewater trunk system upgrading and refurbishing capital works that result from capacity and condition investigations conducted on the collection system trunks.

- **Pumping Station Upgrading** – $1,000,000 is provided in 2007 and 2009 for rehabilitating the York Street, Ritter Avenue, Maple Ridge and Mount Royal pumping stations. $50,000 is provided in each of 2006, 2008 and 2010 to continue the installation of the new supervisory control and data acquisition (SCADA) system in wastewater pumping stations. There are a total of 16 wastewater pumping stations in the city. Since the early 1990's, five new stations have been constructed, three have been rehabilitated, and one phased out. One station is currently being replaced, one replacement station is being designed, and four stations will be rehabilitated over the next five years. Two are in good condition and require no improvements at this time.

- **Manhole Upgrading** – $400,000 is provided in the five-year capital program. The funding provides for manhole infiltration control ($20,000 per year) and manhole separation ($100,000 in 2006, 2008 and 2010). Combined manholes that allow access to both the wastewater collection and drainage systems exist in a number of locations around the city. Such manholes can allow drainage water to enter the wastewater system causing overloading of the sewers, potentially resulting in basement sewer backup. Under this project, combined manholes are reconstructed to prevent the drainage water from entering the wastewater system. Infiltration control involves implementing measures, such as new covers and seals, at wastewater manholes to prevent drainage water from entering. This capital expenditure will result in reduced operating expenses in treating drainage water.

- **Infrastructure Renewal** – $13 million is provided in the five-year capital program to fund renewal of the wastewater collection system, including collection lines, catch basins, manholes and connections. This program will rehabilitate wastewater collection lines in conjunction with scheduled roadway renewal projects and at chronic repair locations to reduce the need for emergency repairs. Collection lines are surveyed by camera and the condition rated so that a program can be developed each year according to the needs. The general and utility capital budgets fund the renewal of their respective infrastructure components. This program rehabilitates wastewater infrastructure in conjunction with roadway infrastructure renewal and will require additional funding in future years as funding for roadway renewal is increased. **Funding of $850,000 per year is projected from the Municipal Rural Infrastructure Program.**

Wastewater Treatment

- **McCarthy Pump Station Upgrading** – $250,000 is provided in 2006 to fund increased costs for this project. The allocation supplements $1,450,000 in prior funding for screening upgrade improvements at McCarthy Boulevard Pumping Station. The engineering and construction will occur in 2006 and 2007. All sewage from the wastewater collection system is pumped to the Wastewater Treatment Plant through this facility.

  The McCarthy Pump Station also is adjacent to residential neighbourhoods and odour from the facility results in complaints. Monitoring and characterization studies of the odour problem have been undertaken. A pre-design engineering study of odour abatement control and process options (estimated cost of $50,000) is planned in 2006 utilizing previously approved funding.

  The pump station also serves as a dumping station for sewage and liquid wastes collected from within the City and surrounding areas by commercial liquid waste haulers. Operation of the dump station creates local traffic problem and adds to the odour problems. Plans and finding options to re-locate the dump station to a new suitable location, possibly outside the city, have been discussed with the RM of Sherwood and will be developed further in 2006.

- **McCarthy Pump Station to Sewage Treatment Plant Forcemain Upgrade** – The original 42" steel forcemain (one of two forcemains from McCarthy Pump Station to the Wastewater Treatment Plant) was constructed in 1958 and is in marginal condition. A detailed internal inspection of the line will be undertaken early in 2006. An allocation of $500,000 in 2007 is for detailed engineering for forcemain repair work. Funding of $7,000,000 is included in 2008 for replacement of one forcemain and associated piping and valves. This cost is based on the STP Long Range Planning Study, which shows an increase of 15% over the earlier estimate. Pre-design engineering will commence on this project in 2006 utilizing previously approved funding.

- **Wastewater Treatment Plant Expansion** – Expansion projects include major treatment plant changes to meet new regulatory requirements as well as provide expanded hydraulic and process capability to meet larger wastewater flows associated with future city growth. The regulatory requirements of the Province require the City to meet nitrogen reduction requirement by the end of 2011. The Federal requirements under *The Environmental Protection Act* and *The Fisheries Act* require the City to develop and implement a pollution prevention plan that will result in reduction of ammonia toxicity in the final effluent discharged to the Wascana Creek/QuAppelle River system. The increased treatment requirements result in a need to replace the biological treatment plant. The investigations to date lead to a Biological Nutrient Removal Plant (BNR), which will meet all environmental requirements that the City is required to meet. The schedule is for pre-design work to commence in 2006 with final delivery and commissioning of an expanded and enhanced treatment plant in 2010/11. The total estimated projected cost is $84.65 million allocated as follows:

- Pre-design engineering will commence in 2006. During this step the process options and treatment capacities criteria as well as more refined capital and operating costs are determined. The estimated cost for this phase of engineering is $700,000 in 2006.

- UV Disinfection Process Improvements. The plant uses ultraviolet light for final effluent disinfection prior to discharge to Wascana Creek. An allocation of $500,000 is provided in 2006 for upgrading and $750,000 in 2009 for expansion of capacity.

- Detailed engineering for the expanded and enhanced treatment plant will commence in 2007. During this phase of engineering detailed civil, mechanical, electrical and control systems designs and construction drawings are completed in preparation for contract tendering. The 2007 allowance for initiating the phase is $3,500,000.

- Construction of the plant expansion is scheduled to commence in 2008 with completion and commissioning in 2010/11. The 2006 – 2010 capital program includes $23 million in 2008 which includes an allocation of $2,000,000 for a new maintenance building to provide space for maintenance services required for the new BNR Plant. Also, $15.15 million will be required in 2009 and a further $41.8 million will be required in 2010 for the BNR Facility. The schedule may be impacted by the results of the CCME initiative to establish a national policy for regulation of municipal wastewater efficiency. It is not likely that the CCME initiative will result in a reduced effluent discharge standard which would reduce overall cost. It is only the timing of such expenditures that might be affected.

The estimated costs are preliminary and will be refined through the pre-design and detailed engineering stages. Funding for the project includes $60,000 in 2006, $175,000 in 2007, $1,150,000 in 2008, $1,008,000 in 2009 and $1,840,000 in 2010 from Utility Development Charges, as the enhanced and increased capacity of the new plant will accommodate increased flows from new development.

- **Wastewater Treatment Plant Improvements** – Funding of $4.6 million is provided over the 2006 to 2010 period. The projects and proposed schedule are as follows:

  - $50,000 in 2006 for a chemical supply system to add specialty chemicals that improve cold weather performance.

  - $200,000 in 2006 for a firewater supply system improvement in the plant. Serious limitations of firewater capacity were revealed during the design of the Control and Services Building.

  - $1,600,000 (based on recently received feasibility report) in 2006 for final design and implementation of additional methane gas utilization equipment. This project will optimize utilization of methane gas generated in the sewage treatment solids treatment process (digesters). It is anticipated that with present energy pricing, an economic payback can be achieved in less than 8 ½ years. Methane gas can be utilized to provide energy needs for plant operation and reduce external gas/electricity purchases. Currently about 50% of methane is utilized with the remainder flared.

  - $300,000 in 2006 in a safety upgrade of gas piping (conversion to stainless steel) and regulators to digesters.

  - $100,000 in 2006 to develop road access to sludge storage/sludge pad for biosolids handling/storage area.

  - $100,000 in 2006 for equipment to improve laboratory testing and safety.

- $2,100,000 in 2009 for grit removal process improvements. The step in wastewater treatment that removes heavier particulates (sand, gravel, glass, etc) is called grit removal. The current grit removal process requires improvements to adopt newer more efficient technology. The proposed improvement is to be engineered and constructed in 2007.

- $150,000 in 2007 to provide energy recovery devices on plant equipment.

Funding for the projects includes $80,000 in 2006 from Utility Development Charges.

- **Wastewater Treatment Plant Refurbishing** – The program provides funding for major maintenance projects that are beyond the regular operating and maintenance budget. Over the five year capital program, $4,000,000 is provided as follows:

  - $200,000 in 2006 to refurbish the 1,372 mm corroded concrete raw sewage inlet line.

  - $50,000 in 2006 to refurbish HVAC involving primary plant equipment.

  - $170,000 in 2006 to replace or repair boiler #1.

  - $100,000 in 2006 to refurbish the roof of the de-watering facility.

  - $200,000 in 2006 for minor refurbishing and a further $2,530,000 in 2009 for major refurbishment of the traveling bridges in the existing primary sedimentation tanks.

  - $750,000 ($150,000 in each of 2006 through 2010) to undertake major maintenance work to refurbish corroded concrete, process piping and valves.

Drainage

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Drainage System Upgrading:					
- Glencairn	**105**	220	2,025	1,600	-
- Dieppe	**1,750**	-	-	-	-
- CPR Annex	**-**	30	110	750	-
- Albert Park	**-**	-	50	150	1,300
- Future Drainage Project Land Purchase	**500**	-	-	-	-
- Catch basin installations	**50**	50	50	50	50
- Drainage pumping station upgrading	**-**	1,200	-	-	-
- Drainage infrastructure renewal	**1,550**	1,700	1,850	2,000	2,200
- Dredging and lake shoreline maintenance	**-**	100	-	-	-
2. Wascana Creek Improvements:					
- Dieppe	**350**	-	-	-	-
Total Expenditures	**4,305**	3,300	4,085	4,550	3,550
Capital Funding					
General Utility Reserve	**3,455**	2,450	3,235	3,700	2,700
Municipal Rural Infrastructure Program	**850**	850	850	850	850
Total Funding	**4,305**	3,300	4,085	4,550	3,550

Drainage

- **Drainage System Upgrading** – Drainage system upgrading projects involve major improvements to reduce flooding caused by melting snow and large summer rainstorms. The upgrading of drainage systems is in accordance with the priority identified in Drainage Area Studies. The 2006 to 2010 Capital Program includes approximately $10 million in projects identified in the Drainage Area Studies. The total estimated work exceeds $90 million. At current levels of funding completion of all remaining projects will take up to 50 years. Projects in the current capital program include:

  - **Glencairn Upgrade Projects** – $105,000 is allocated in 2006 to complete the pre-design for both the Stewart Russell Park detention site and the Victoria Avenue southwest quadrant detection site. At that time, the construction schedule for the two projects will be determined. Additional funding of $220,000 in 2007 provides for detailed design and $1.8 million in 2008 for construction of the first project. The second project requires funding of $225,000 in 2008 for detailed design and $1.6 million in 2009 for construction.

  - **Dieppe Upgrade Projects** – This two year project, which was started in 2005, consists of the construction of a pumping station to pump water from the drainage system into Wascana Creek, and the construction of a new drainage water detention facility in the park adjacent to the drainage pumping station. This station also incorporates a wastewater lift station and shared standby power. In 2006, $1.75 million is allocated for construction of storm relief sewers, upgrading the Wascana Creek Dyke and constructing the Courtney Street ditch from Dewdney Avenue to Wascana Creek.

  - **CPR Annex Upgrade Project** – There is $30,000 in 2007 to complete the pre-design, $110,000 in 2008 for the final design and tender, and $750,000 in 2009 for construction of the dyke upgrade and storm retention project.

- **Albert Park Area Upgrade Project** – In 2008, $50,000 is allocated to complete the pre-design and $150,000 in 2009 for the detailed design and tendering of the $1.3 million drainage system upgrade in 2010.

- **Catch Basin Installations** – $50,000 is provided in each year of the five-year capital program. The funding provides for the installation of catch basins at various locations on streets and in easements where severe ponding is a problem. Based on past construction, the average cost per location is $8,000. There are a number of locations on record where catch basins are required. Increasing the catch basin inventory will result in increased catch basin cleaning costs.

- **Drainage Pumping Station Upgrading** – $1,200,000 is provided in 2007 for upgrading and renewal of a lift station at the Ring Road and North Storm Channel.

- **Drainage Infrastructure Renewal** – $9.3 million is provided in the five-year capital program. This program will replace substandard drainage system lines either in conjunction with scheduled reconstruction work or at chronic problem locations. Drainage lines are surveyed by camera and the condition rated so that a program can be developed according to the priorities in each year. The general capital and utility capital budgets fund the renewal of their respective infrastructure components. This program results in a reduction in the number of drainage system emergency repairs that must be completed each year. **Funding of $850,000 per year is projected from the Municipal Rural Infrastructure Program.**

- **Dredging and Lake Shoreline Maintenance** – $100,000 is provided in 2007 for dredging and shoreline improvements at the Lakeridge storm water detention lake. Dredging of storm channels, small creeks and retention lakes is undertaken to remove sediment, restore hydraulic capacity and improve storm water quality.

- **Future Drainage Project Land Purchase** – In 2006, $500,000 is allocated to acquire the necessary land area to construct a future drainage control project. The project is anticipated to be constructed in the 2011 – 2015 capital plan.

- **Wascana Creek Improvements** – This is a program to enhance and upgrade flood protection for those areas of the city where buildings encroach upon the Wascana Creek plain and are protected by dykes. The program also provides for creek dredging of sediment accumulation. An annual dyke survey report and minor maintenance will be required. $350,000 is provided in 2006 for dyke upgrade and creek dredging in the Dieppe area upgrading.

Utility Capital Funding

Funding for the Water and Sewer Utility Capital Program is primarily from the following sources:

- General Utility Reserve.
- Utility Development Charges.
- Federal Provincial Infrastructure Programs.
- Debenture Debt.

General Utility Reserve

The General Utility Reserve is funded through the operating surplus of the utility. Each year the utility generates a surplus, a portion of which is transferred to the general operating and capital budgets, with the balance transferred to the General Utility Reserve. The reserve is primarily used to fund capital projects, but is available should there be an operating shortfall. The following table provides a projection for the General Utility Reserve.

General Utility Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	**5,118**	**124**	**(1,873)**	**2,119**	**6,550**
Net Operating Surplus	7,271	8,977	13,588	14,368	12,813
Capital Program Requirement[1]	(12,265)	(10,974)	(9,596)	(9,937)	(12,797)
Reserve Balance - End of Year	**124**	**(1,873)**	**2,119**	**6,550**	**6,566**

Note 1: The Capital Program Requirement reflects an estimated inflation rate applied to capital requirements. The 2006 – 2010 Utility Capital Program is presented in current dollars (without inflation). The utility model incorporates projected increases in revenues and expenditures due to inflation. The net operating surplus reflects future projected increases and as such, the inflationary projection for capital program requirements is also used in this table.

Utility Development Charges

Utility Development Charges are pursuant to *The Planning and Development Act, 1983* and are collected when development agreements are entered into between the City and a developer. The agreements require a payment to the City of $22,305 per hectare of land within the development area. The payment of development charges is 30% upon execution of a servicing agreement, another 40% within nine months and the balance within a further nine months. As a result of the completion of the recent Residential Growth Study, the intent in future years is to introduce differential rates for development charges based on the differing costs of development. Eligibility for funding is by policy of City Council and includes:

- 100% of funding for the cost of trunk watermains.

- A portion of the cost to construct watermains larger than 250 mm in diameter.
- 100% of funding for wastewater collection trunks which are 300 mm or greater in size.
- 100% of funding for wastewater lift stations that are a component of a regional servicing plan.
- 5% of the funding for expansion to the wastewater treatment plant for capacity for new development.
- 5% of the funding for McCarthy Boulevard pump station expansions, for capacity for new development.
- 100% of the funding for servicing design criteria review studies for the servicing of new land development.
- 100% of funding for drainage trunks 1,350 mm or greater in size.
- 100% of funding for drainage lift stations that are an approved component of a regional drainage plan.
- 100% of funding for a dry bottom detention facility (or the equivalent for a dry facility if a wet retention pond is constructed) if the pond is an approved component of a regional drainage plan.
- 100% of funding for new or upgraded storm channels that are an approved component of a regional drainage plan.
- 100% of the funding for full urbanization of the Pilot Butte and Chuka Creek adjacent to undeveloped lands if the improvements are part of an approved regional drainage plan.
- 100% of the funding for master drainage studies which are part of an approved regional plan of undeveloped land.

Revenue from development charges is recognized when the funds are spent on an eligible project. Historically, capital projects eligible for development charge funding have been undertaken ahead of the funds being available resulting in a shortfall in development charge funding. The projections for Utility Development Charges are detailed in the following table. The funding projections have been based on the development of 25 hectares per year.

Utility Development Charges ($000's)

	2006	2007	2008	2009	2010
Balance - Start of Year	**(2,337)**	**(1,585)**	**(1,191)**	**(1,819)**	**(2,311)**
Utility Development Charges[1]	892	574	592	609	628
Capital Program Requirements[1]	(140)	(180)	(1,220)	(1,101)	(2,071)
Balance - End of Year	**(1,585)**	**(1,191)**	**(1,819)**	**(2,311)**	**(3,754)**

Note 1: The projected utility development charges incorporate the approved rates for 2006, and increases in future years for inflation. The capital program requirements also incorporate projected increases due to inflation. Negotiations are to be undertaken for major review based on new development requirements to include differential charges by development area and prefunding of some charges for capital projects.

Federal Provincial Infrastructure Programs

The four-year Municipal Rural Infrastructure Program (MRIF) started in 2005, with $1.7 million in funding available each year for Regina. City Council approved the allocation of the funding to Water and Sewer Utility projects in 2005 and 2006. The proposed Utility Capital Program also assumes the MRIF funding will be allocated to utility capital projects for 2007 and 2008, with the program to continue at the same level of funding in 2009 and 2010. As a result of the allocation of MRIF funds to the Water and Sewer Utility, there is a transfer of $1.7 million per year from the utility to the General Capital Program.

Debt Financing

Section 135 of *The Cities Act* creates the authority to issue debt to finance capital projects. While debt is a source of capital financing, ultimately the cost of the debt (principal and interest) has to be funded through the utility operating budget. The following table is a summary of the outstanding debt and the debt maturing each year.

Schedule of Debt Maturities ($000's)

	Debt Issues					
Year	$30 Million Feb 1997	$13 Million May 1998	$40 Million Nov 2002	$6 Million May 2004	Total	Per Cent of Total
2006	3,000	1,300	4,000	600	8,900	20.6%
2007	3,000	1,300	4,000	600	8,900	20.6%
2008	-	1,300	4,000	600	5,900	13.6%
2009	-	-	4,000	600	4,600	10.6%
2010	-	-	4,000	600	4,600	10.6%
2011	-	-	4,000	600	4,600	10.6%
2012	-	-	4,000	600	4,600	10.6%
2013	-	-	-	600	600	1.4%
2014	-	-	-	600	600	1.4%
Total	6,000	3,900	28,000	5,400	43,300	100.0%

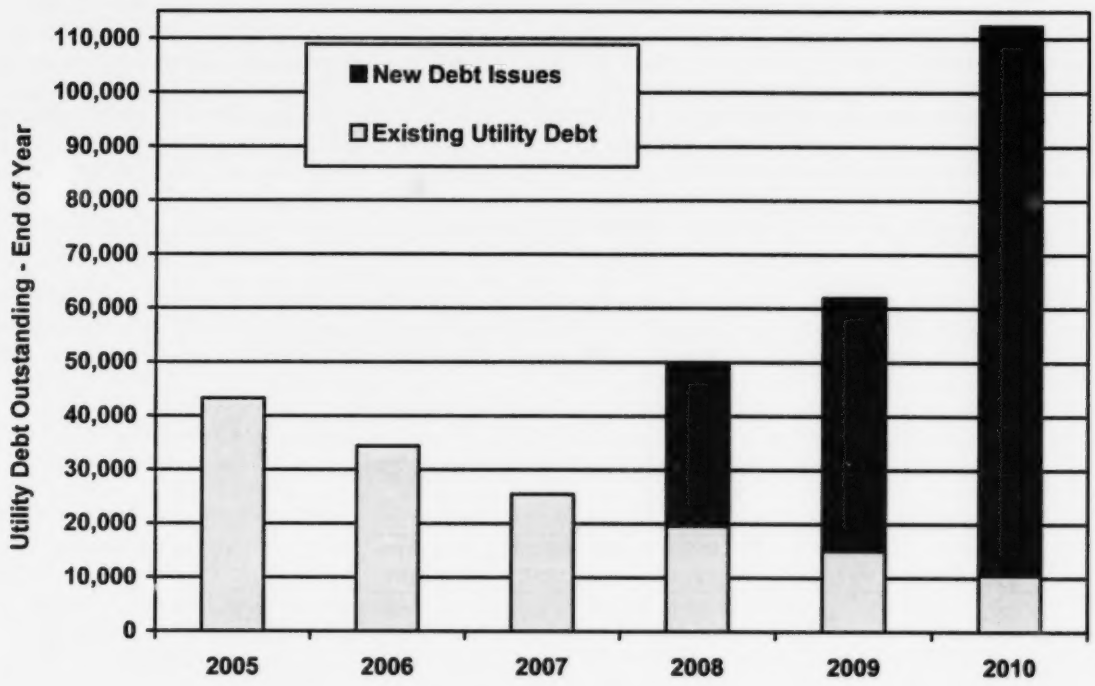
In most instances, the debt issue in a particular year provides the debt financing required for several years of the Utility Capital Program.

In the 2006 – 2010 Utility Capital Program, debt requirements are:

- $30 million in 2008;
- $20 million in 2009; and,
- $60 million in 2010.

The future debt requirements are based upon projected annual rate increases of 7% each year for 2008, 2009 and 2010. The future debt requirements are subject to change, as capital requirements in future years may change, the projected cost of requirements could change, or revenues generated from rate increases may change. In addition to the projected debt required to fund the 2006 – 2010 Utility Capital Program, based on current revenue and expenditure projections in the utility model, there are additional debt requirements beyond 2010. The graph on the next page shows projected utility debt levels incorporating the existing debt and the projected debt for 2008 through 2010.

Utility Debt Projections



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CITY OF REGINA

2006 BUDGET

2006 - 2010 General Capital Budget

- As Approved by City Council -

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CITY OF REGINA

Office of the City Manager
May 8, 2006

To: His Worship the Mayor,
and Members of City Council

Re: **2006 – 2010 General Capital Program**

Each year City Council is required to adopt an operating and capital budget. There are three components to the budgets, the General Operating Budget, the Water and Sewer Utility Operating and Capital Budget and the General Capital Program. **This document is the 2006 – 2010 General Capital Program as approved by City Council at its meeting on April 13, 2006.**

Regina, like other cities, is facing a problem of ageing infrastructure coupled with requirements resulting from growth and increased standards. Roads, buildings and other infrastructure built during the city's period of rapid growth are in need of repair or replacement. In October 2003, the Canada West Foundation released a report titled **"A Capital Question, Infrastructure in Western Canada's Big Six"**. The report included the following excerpt:

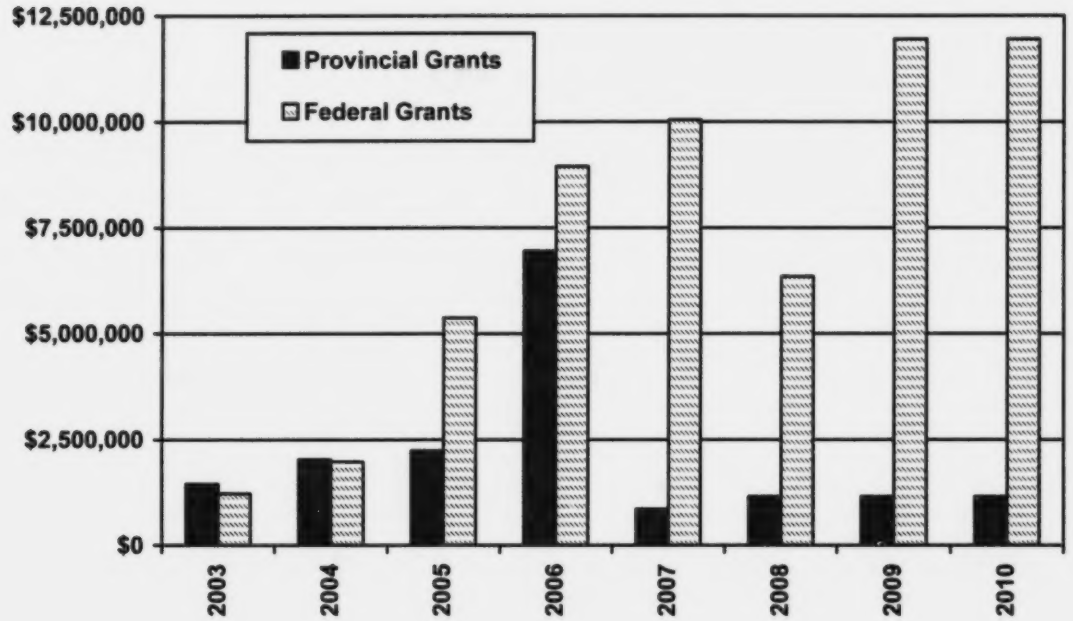
> **If governments continue to defer critical maintenance and rehabilitation of ageing infrastructure, the costs down the road will be much higher – infrastructure will need to be replaced rather than repaired.**

Regina, like other cities, has a substantial infrastructure deficit. On an annual basis, the deficit is estimated to be $30 to $35 million. Infrastructure is a core component of most services delivered by the City. The capacity to deliver services in the long-term will be compromised unless the infrastructure deficit is addressed.

While there is virtually universal recognition of the need to increase capital spending, the challenge continues to be finding sources of funding that are predictable and sustainable.

The 2006 – 2010 General Capital Program reflects a substantial increase in funding from the Federal Government, and a significant $6.1 million one-time funding increase from the Provincial Government. The following graph provides information on the Federal and Provincial grants for 2003 through 2005, along with the projected grants for the 2006 to 2010 period. In the Introduction section of the document (pages 3 and 4) there are graphs for both the Federal and Provincial grants that provide additional details on the specific grants that total the grants shown in the following graph.

Federal and Provincial Capital Grants
(Excludes funding for Wascana Lake and the Credit Union EventPlex)



The recent announcement by the Province of $6.1 million in funding from the Community Share 2006 Program provides a much needed contribution to Regina's infrastructure requirements. As well, the fact that it provides a high degree of flexibility in the types of eligible projects is positive.

It is essential that the Province implement new capital funding programs to assist municipalities on an ongoing basis. These programs could be direct grant programs, or sharing of provincial gas tax revenue. In Alberta, the cities of Calgary and Edmonton each receive 5¢ per litre of the provincial gas tax. In Ontario, municipalities received 1¢ per litre of the provincial gas tax in 2004, 1.5¢ per litre in 2005 and will receive 2¢ per litre in 2006, with the funding dedicated to public transit.

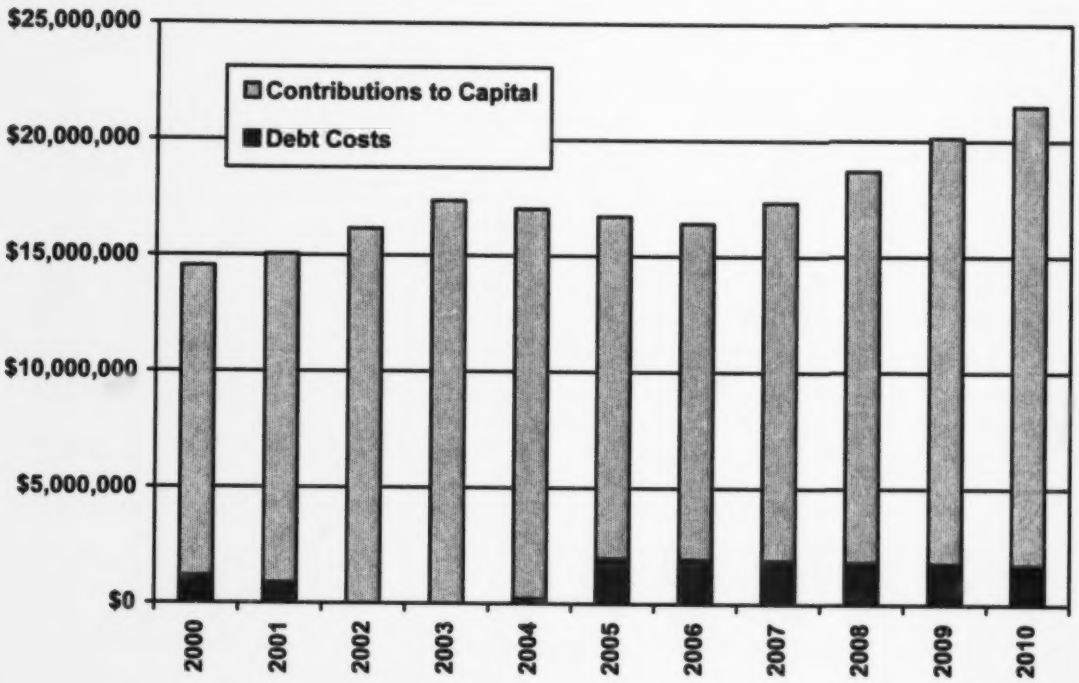
Substantial progress is being made in terms of the commitment of the Federal Government to funding municipal infrastructure requirements.

The Canada/Saskatchewan Agreement on Federal Gas Tax Revenue represents a positive development in addressing concerns that have been raised previously. The program provides information on capital funding available for a five year time frame, which is essential for effective infrastructure planning. It is important that this continue in the future, with projections updated for the next five years on an annual basis.

The 2006 – 2010 General Capital Program also includes $4.8 million in both 2006 and 2007 in new Federal Transit Funding. The Federal Government announced a commitment to the program but full details have not yet been finalized.

While the additional funding provided by the Federal and Provincial Governments is significant, the City must also increase its capital funding. The 2006 – 2010 General Capital Program includes a plan to increase the City's current contributions to capital.

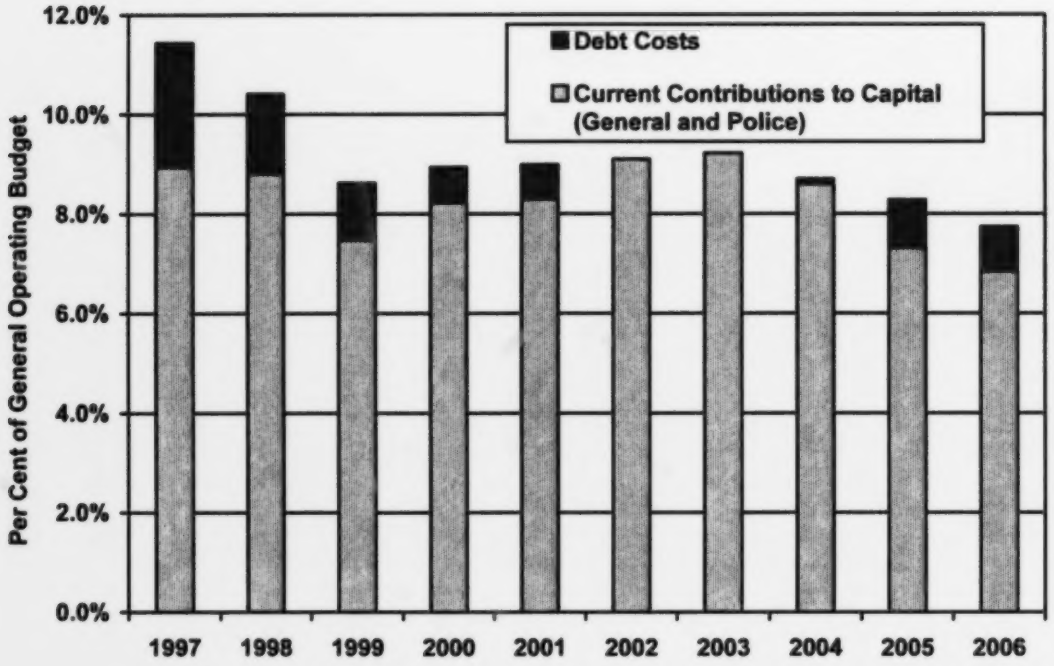
Capital Funding Plan



The capital funding plan provides for an increase in current contributions to capital of $1.5 million per year starting in 2007. The current contributions to capital for Police are projected to decrease over the five years based on the 2006 - 2010 capital submission of the Board of Police Commissioners.

The City must consider whether it is providing sufficient funding for capital requirements. The next graph shows the percentage of the General Operating Budget directed to capital funding since 1997, excluding the transfers from the Water and Sewer Utility linked to the CSIP and MRIF funding received by the utility. The graph shows both the percentage of the General Operating Budget available to fund the capital program and the percentage of the budget for debt costs.

Capital Funding From Current Operations – 1997 to 2006
(Per Cent of General Operating Budget)



The portion of the General Operating Budget directed towards funding of capital (current contributions to capital and debt costs) has declined over the past ten years. In 1997, capital funding was about 11.4% of the total operating budget. For 2005, capital funding was about 8.3% of the total operating budget and for 2006, the percentage will decline further to about 7.8%. **The most significant concern is the trend since 2002 in the current contributions to capital as a percentage of the total operating budget. Over the last five years, the portion of the operating budget directed to capital requirements is decreasing. This decrease is occurring even though over the same period of time, concerns about the annual infrastructure deficit were increasing.**

Concerns with respect to the level of capital funding provided through current contributions are:

- **For several years, capital programs have been developed based on projected future increases in current contributions to capital. However, given the fiscal pressures on the general operating budget, increases in current contributions to capital have been deferred.** As an example, the 2005 – 2009 General Capital Program was approved based on an annual increase in current contributions to capital of $1.5 million starting in 2006. The 2006 – 2010 General Capital Program defers the increase in capital contributions to start in 2007 rather than 2006.

- **While capital funding from current operations has decreased as a percentage of the total budget, capital requirements have continued to escalate as infrastructure continues to age and the capital needs of the community increase as the community grows. While the proposed funding plan provides for increases in capital funding, it will be 20 years or more before capital funding is at the level needed to address the annual infrastructure deficit.**

The 2006 – 2010 General Capital Program is almost $206 million. In comparison, the 2005 – 2009 General Capital Program was about $179 million. **The 2006 General Capital Budget is $42.3 million.** The General Capital Program represents a balance between the fiscal constraints facing the City and the capital requirements. Key components of the 2006 – 2010 General Capital Program include:

- **Funding for Street Infrastructure Renewal is $10 million in 2006, and $11 million in 2007 and 2008, increasing by $1 million per year thereafter, with $13 million in 2010. In addition to the proposed allocation for 2006, about $1.2 million in funding allocated but unspent in 2005 will be spent in 2006. While there is increased funding for street infrastructure renewal, the increase is not sufficient to address the long-term needs.**

- **Roadway Network Improvements** include:

  - $1,230,000 in 2006 for intersection improvements at Quance Street and University Park Drive and at Quance Street and Prince of Wales Drive.

  - $3,650,000 in total in 2006 and 2007 for Northwest Sector road improvements. The majority of the funding is provided in 2006 for construction of a new arterial north of Lakeridge between Pasqua Street and McCarthy Boulevard.

  - $500,000 in 2006 for the intersection at Victoria Avenue East and Windsor Park Road.

  - $600,000 in 2007 to construct the east side of Courtney Street between Dalgliesh Drive and Rochdale Boulevard.

  - $2,000,000 in 2007 toward the construction of an interchange at Highway No. 1 and Lewvan Drive. The total cost would be shared with the Federal and Provincial governments and the developers.

  - $11,400,000 in total in 2009 and 2010 as a general allocation for roadway network improvements. Planning for roadway network improvement requirements is currently underway. Construction of new roadways and improvements to the existing network will be required to accommodate current and future traffic needs.

- Funding for the **rehabilitation of bridges** totals about $5.8 million over five years, with one bridge site each year.

- **Funding of $17 million over the five years for the landfill.** The funding includes the initial costs of a new cell for a new landfill adjacent to the existing landfill. There is also $4.7 million over five years for replacement of rear lane waste containers and the purchase of new roll out containers for the front street collection program.

- **Funding of about $7.4 million over the five years for community and recreation facilities.** The funding is to sustain existing facilities and does not fund the development of new or replacement facilities. The funding includes $950,000 in 2006 to replace the flooring in the fieldhouse.

- Funding of about $13.8 million over the five years for restoration, upgrading and new development of **athletic fields, open space** and the city's **streetscape.**

- The five-year capital program provides for the purchase of two front-line **fire apparatus in 2010** to replace existing equipment. The equipment to be acquired includes a pumper rescue unit and a 100 foot rescue unit. In 2007 and 2008, there is **$2 million in total for the replacement of Fire Hall #4**.

- **Transit** capital expenditures include:
  - $11.2 million over the five years to purchase **27 transit buses**;
  - $2.2 million over five years for **20 paratransit buses**; and,
  - $1.6 million over the five years to **refurbish four transit buses** per year.

- The capital program provides for $23.4 million over the five years for the **replacement of vehicles and equipment**. The capital program is consistent with the recommended fleet size and configuration as determined by the fleet review.

- The capital program provides $8 million over the five years for the **upgrading of operational, yard and field administrative facilities** used by the City. There has been little investment to maintain existing facilities, resulting in major deficiencies.

The 2006 – 2010 General Capital Program **falls short of meeting the requirements to maintain existing infrastructure and meet the community's long-term needs. The program is reasonable based on the fiscal constraint faced by the City, however it is essential that the City increase capital funding in future years as provided for in the capital program and continue to seek additional ongoing funding from the Provincial and Federal Governments.**

Respectfully submitted,

A.R. Linner
City Manager

Introduction

Determining Infrastructure Needs

In September 2004, Canada West Foundation released a report titled "Foundations of Prosperity". While the report focused on the infrastructure challenge in Alberta, the issues and options addressed in the report apply to all provinces. The report included the following comment:

> Municipal infrastructure touches virtually every aspect of daily life in large urban centres, smaller cities, towns and the province's counties and municipal districts; it has huge impact on our quality of life and economic prosperity. Lately, however, the infrastructure foundations of local communities have come under increasing strain. Local government spending has been on a downward trend. Municipalities routinely run infrastructure deficits (annual shortfalls in funding essential infrastructure projects), and the result of annual deficits is a large and growing infrastructure debt (the accumulated backlog with respect to new infrastructure and the maintenance, rehabilitation or replacement of existing infrastructure).

Determining the level of infrastructure needs is difficult. There will be differences of opinion on the standard to which existing infrastructure should be maintained and the capital requirements of a growing community. The annual infrastructure deficit in Regina for the infrastructure funded through the General Capital Program is estimated in the range of $30 to $35 million. The specific number used for the infrastructure deficit is subject to debate. Irrespective of the number used, **there is a substantial infrastructure deficit, and the deficit will continue to grow until capital funding is sufficient to reverse the trend.**

In October 2003, the Canada West Foundation released a report titled **"A Capital Question, Infrastructure in Western Canada's Big Six"**. Excerpts from the report are noted below.

> **Urban infrastructure in Canada has become a serious issue. Annual infrastructure deficits add to an accumulated infrastructure debt**, which is the backlog of needed maintenance, rehabilitation, and replacement of existing infrastructure assets and unfunded capital projects that are deemed necessary to accommodate growth in the cities.
>
> For most western cities, the largest portion of the infrastructure deficit resides in transportation – roads, traffic control, bridges, interchanges, and public transit. The next largest areas of unfunded infrastructure needs are community buildings, facilities and public works, followed by parks and recreation and community services infrastructure.
>
> The potential long-term costs of failing to address the infrastructure issue are numerous, and include higher government operating costs, negative impacts on the environment, and threats to public health and safety. **If governments continue to defer critical maintenance and rehabilitation of ageing infrastructure, the costs down the road will be much higher** – infrastructure will need to be replaced rather than repaired.
>
> There is no "right" way to estimate or measure an infrastructure deficit or debt. Whether estimates are retrospective or anticipative, whether they emerge from surveys, engineering needs assessments or notions of optimal investment, each method has its own strengths and weaknesses. With that said, all estimates do share one similarity – the numbers are invariably large.

The infrastructure challenge extends beyond the physical preservation of roads, facilities, parks or other forms of infrastructure. There is also a functional challenge. Infrastructure developed in the past was developed based on the standards and needs of the day. Over time, and as the community has grown, the needs and interests of the community have changed. Infrastructure investment is required to meet

current needs, including the requirements resulting from growth of the community. This includes the widening of roads to accommodate traffic volumes, the installation of turning lanes or traffic lights, or changes to facilities to address changes in use that have occurred over time.

In April 2002, the TD Bank Financial Group released a report titled **"A Choice Between Reinvesting in Canada's Cities or Disinvesting in Canada's Future"**. The report includes the following statement:

> Another significant threat to the quality of life in Canada's urban areas is the erosion of city infrastructure. Until recently, the relative youth of Canadian cities meant that the pressure on Canadian governments to re-invest in infrastructure was relatively modest compared to that faced by their U.S. and European counterparts. But, it is becoming evident to most Canadians that their cities are showing distinct signs of strain. Merely maintaining existing roads, bridges, transit systems and other types of infrastructure is not enough – modernization is also required.

Funding Capital Requirements

Over the past few years, there has been considerable debate and discussion about the sources of funding to remedy the infrastructure deficit. The problem is so large that there is no one solution. The benefits of adequate municipal infrastructure are shared nationally, provincially, and locally.

In 2004, the Canada West Foundation released a document titled "Addressing Infrastructure Deficits in the Western Big Six". The document included the following comments:

> "Appreciating why municipal infrastructure deficits and debt have appeared is a logical first step before developing any list of potential solutions. Approaches that fail to address the primary drivers of the problem in a meaningful way provide only short-term relief. What is needed are sustainable approaches and alternatives to resolve the matter in the long-term."

Just as the infrastructure deficit in Regina has grown because of multiple factors, addressing the problem will require action in several areas, including:

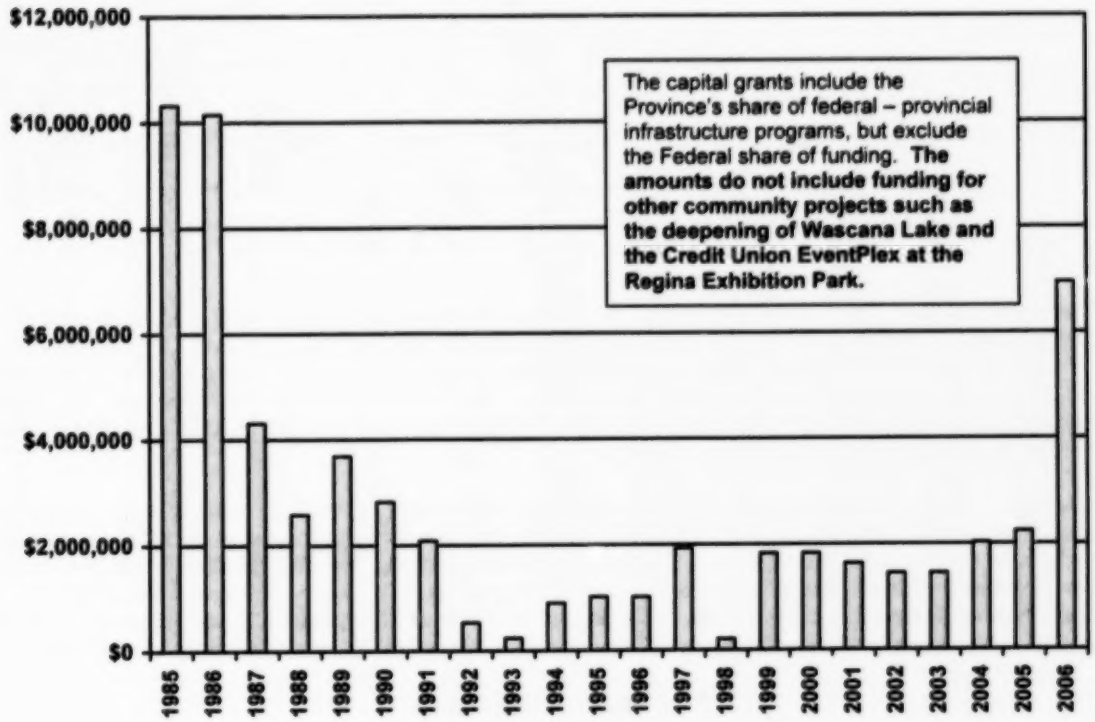
- Stable and long-term funding from the Federal and Provincial Governments, with flexibility to address the priorities within the community;
- Sufficient funding of capital from the City's operating budget;
- Sustainable policy and development decisions that do not artificially increase the demand for infrastructure;
- Development charges that adequately fund the cost of new development and do not deplete other sources of funding required to address the infrastructure deficit;
- Accurately priced user fees that include the costs of infrastructure;
- A careful combination of "pay as you go" with debt to fund projects with long-term benefits;
- Solid asset management techniques, including long-term capital planning, that maximize value of infrastructure spending.

At one time, Provincial grants were a major source of capital funding for the City. Following sharp reductions in the late 1980's and early 1990's, Provincial funding has been a much smaller source.

For 2006 that trend has been addressed in the short term with the Community Share 2006 Program that will provide Regina with $6.1 of one-time unconditional capital funding. That is a significant positive development for infrastructure investment.

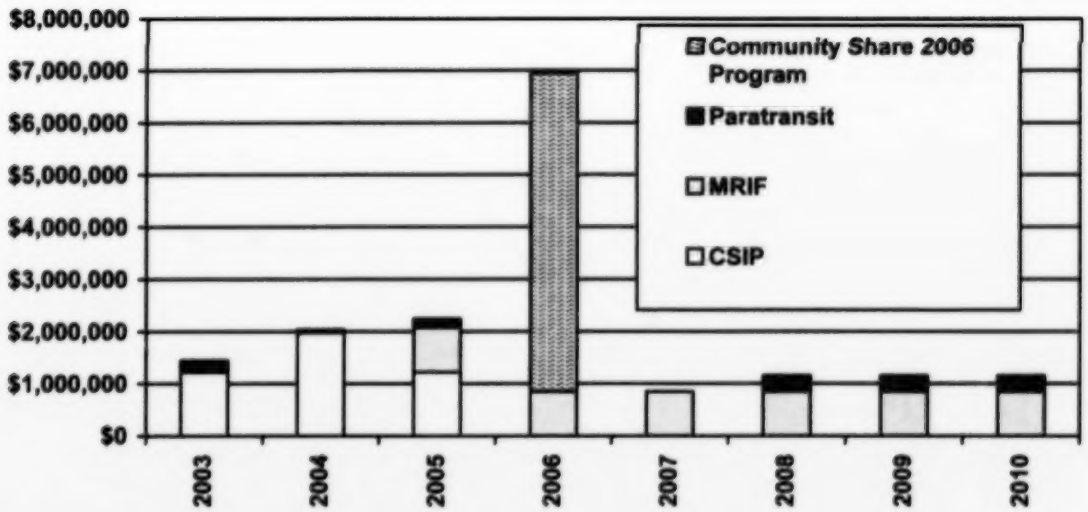
The following graphs detail the level of Provincial capital grants. Grant amounts are reflected in the year of commitment, not the year of payment. The Community Share 2006 Program funding reverses a challenging trend and hopefully will be continued into the future.

Provincial Capital Grants



The following graph provides information on the Provincial capital grants since 2003, with projections to 2010. The grants do not include the contribution from the Provincial Government to community projects. The Province provided funding for two major community projects - $5 million in 2004 for the Wascana Lake Deepening project in Wascana Park, and $4 million in 2005 for the Credit Union EventPlex at Regina Exhibition Park. The projects were part of the Canada Strategic Infrastructure Fund and costs were shared with the City and the Federal Government. The projects are of significant benefit to the community; however, they were not related to reducing the City's infrastructure deficit and are not City facilities.

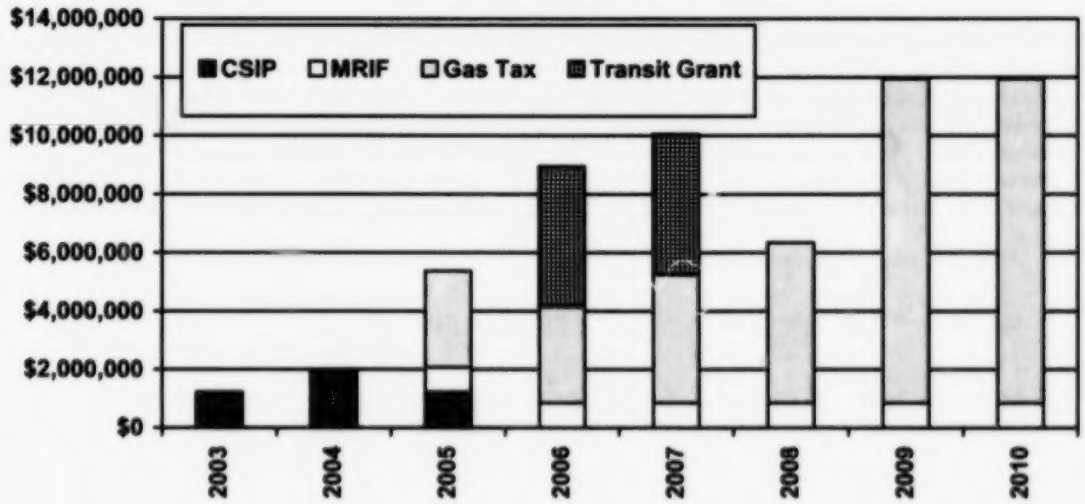
Provincial Capital Grants



Additional, ongoing provincial funding is essential in addressing Regina's infrastructure deficit. In Calgary and Edmonton, each city receives 5¢ per litre of the fuel tax generated in the two cities. For 2006, Edmonton expects to receive about $90 million in capital grants (excluding infrastructure grants) and Calgary about $91 million. For both cities, the vast majority of the funding is from fuel tax. **In Ontario, the Province provided municipalities 1¢ per litre of the provincial fuel tax in 2004 and 1.5¢ per litre in 2005, and will provide 2¢ per litre in 2006.**

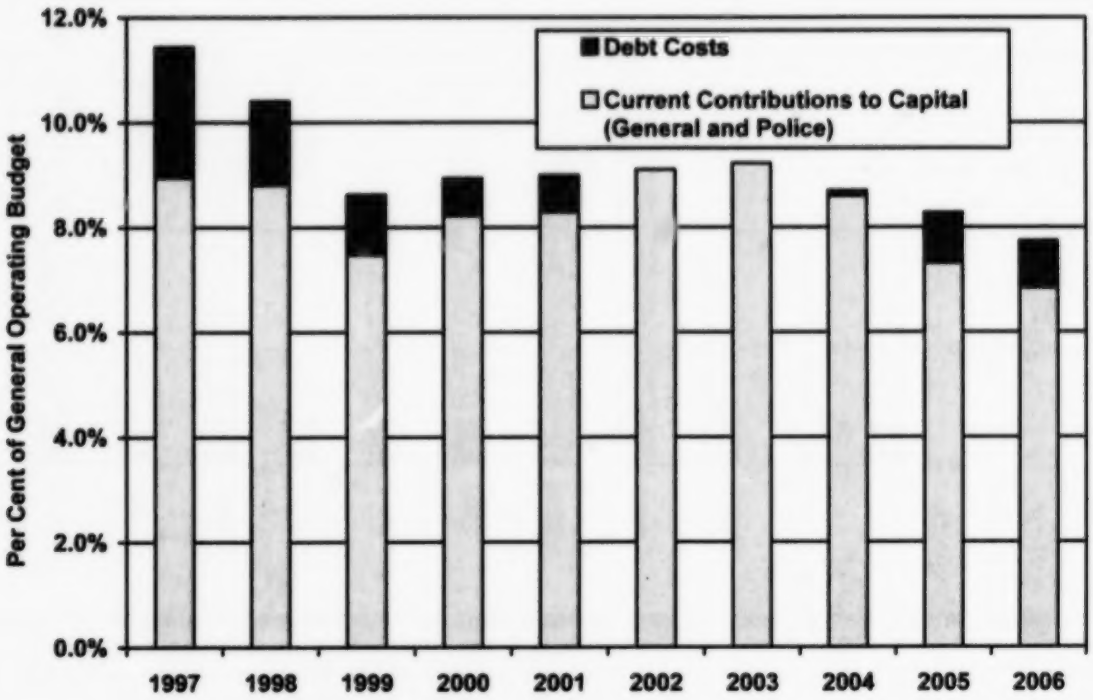
The 2006 – 2010 General Capital Program reflects a substantial increase in funding from the Federal Government due to the gas tax funding. The following graph provides information on the Federal grants since 2003, with projections to 2010. **The grants do not include the contribution from the Federal Government to community projects such as the deepening of Wascana Lake and the Credit Union EventPlex at Regina Exhibition Park.** The projected grants include potential funding through a federal program announced to support transit initiatives. Details of the additional transit funding are not available.

Federal Capital Grants



While the additional funding received from the Federal and Provincial Governments is significant, the City must consider whether it is providing sufficient funding for capital requirements. The next graph shows the percentage of the General Operating Budget directed to capital funding since 1997, excluding the transfers from the Water and Sewer Utility linked to the CSIP and MRIF funding received by the utility. The graph shows both the percentage of the General Operating Budget available to fund the capital program and the percentage of the budget for debt costs.

Capital Funding From Current Operations – 1997 to 2006
(Per Cent of General Operating Budget)



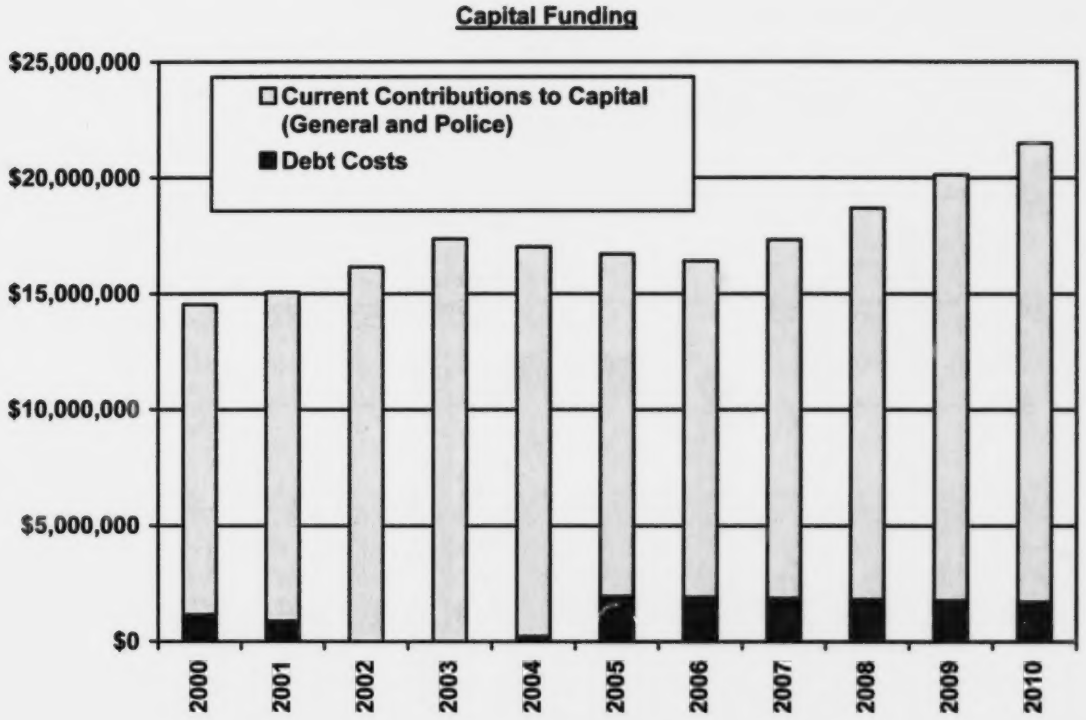
The portion of the General Operating Budget directed towards funding of capital (current contributions to capital and debt costs) has declined over the past nine years. In 1997, capital funding was about 11.4% of the total operating budget. For 2005, capital funding was about 8.3% of the total operating budget, and **for 2006, the percentage will decline further to about 7.8%.**

While capital funding from current operations has decreased as a percentage of the total budget, capital requirements have continued to escalate as infrastructure continues to age and the capital needs of the community increase as the community grows.

In October 2003, the Canada West Foundation released a report titled **"A Capital Question, Infrastructure in Western Canada's Big Six"**. The report included the following comments.

> When government expenditures start to exceed revenues, the first thing to go is capital spending. The reason is straightforward – deferring the maintenance, rehabilitation and replacement of infrastructure has a strong political upside and very few short-term downsides. Cutting capital provides immediate fiscal relief and few citizens are likely to complain. **But deferring infrastructure maintenance provides only temporary relief. There are some very significant long-term costs that can accrue from failing to invest in infrastructure.**

The 2006 – 2010 General Capital Program is based on future increases in the City's current contribution to capital starting in 2007. Capital funding since 2000 and the capital funding plan for 2006 -2010 is shown in the following graph.



The capital funding plan provides for an increase in current contributions to capital of $1.5 million per year starting in 2007. The current contributions to capital for Police are projected to decrease over the five years based on the 2006 - 2010 capital submission of the Board of Police Commissioners. Concerns with respect to the level of capital funding provided through current contributions are:

- **For several years, capital programs have been developed based on projected future increases in current contributions to capital. However, given the fiscal pressures on the general operating budget, increases in current contributions to capital have been deferred.** As an example, the 2005 – 2009 General Capital Program was approved based on an annual increase in current contributions to capital of $1.5 million starting in 2006. The 2006 – 2010 General Capital Program defers the increase in capital contributions to start in 2007 rather than 2006.

- **While the proposed funding plan provides for increases in capital funding it will be 20 years or more before capital funding is at the level needed to address the annual infrastructure deficit.**

The 2006 – 2010 General Capital Budget proposes a total of about $13 million in external funding for projects that qualify for development charge funding. However, based on the current capital program, inflows from development charges are expected to total only $6.3 million over the five years. **The development charge rates are not sufficient to fund qualifying projects; and there is also a timing difference in that roadways projects are typically constructed in advance of receipt of development charge payments. The current rate schedule was approved to the end of 2006. It will be necessary to review development charge rates during 2006 to ensure funding levels are sustainable.**

The 2006 – 2010 General Capital Program proposes no new debt financing. There is $2.1 million available from debt issued in previous years used to fund this year's program. The use of debt is a trade off between of funding now and in the future. The City will have a requirement for a very significant debt issue in the Utility budget within the next five years to finance the expansion of the wastewater treatment plant.

The City has used asset management principles in many areas for several years. The 2006 capital program includes approximately $450,000 in funding for the second year of implementation of the maintenance management system, which will include an inventory of the City's infrastructure with links to GIS and will be the platform for managing the ongoing operations including preventative maintenance.

Work is progressing in the area of roadway asset management, directed at developing and implementing the most cost efficient maintenance strategies on the right roads at the right times. This is one of many examples underway where best practices in asset management techniques can help to ensure the investment in infrastructure reaches its full potential.

The 2006 – 2010 General Capital Budget does not fully address the City's identified infrastructure requirements. It does, however, reflect significant progress in a joint effort to address those requirements.

General Capital Program Funding

Capital Funding Summary

Capital Funding Source ($000's)	2006	2007	2008	2009	2010	Five Year Total
Current Contributions to Capital						
Civic Capital Projects	13,000	14,500	16,000	17,500	19,000	80,000
Police Capital Projects	1,504	960	879	781	797	4,921
	14,504	15,460	16,879	18,281	19,797	84,921
Existing Debt	2,105	-	-	-	-	2,105
Internal Reserves and Transfers						
General Fund Reserve	730	650	650	-	-	2,030
Transfer From Utility - MRIF	1,700	1,700	1,700	1,700	1,700	8,500
Landfill Reserve	2,450	850	1,375	8,250	4,100	17,025
Golf Course Reserve	150	200	175	230	210	965
Cemetery Reserve	95	20	35	80	35	265
Equipment Replacement Reserve	4,808	4,696	4,662	4,628	4,605	23,399
Transit Equipment Reserve	-	30	-	-	-	30
Employee Provided Parking Reserve	-	-	600	-	-	600
Technology Reserve	235	50	-	-	-	285
Asphalt Plant Reserve	180	-	200	100	-	480
	10,348	8,196	9,397	14,988	10,650	53,579
Capital Grants						
Gas Tax Grant	3,300	4,400	5,500	11,100	11,100	35,400
Transit Grant	4,800	4,800	-	-	-	9,600
Paratransit Capital Grant	-	-	300	300	300	900
Community Share 2006 Program	2,600	3,500	-	-	-	6,100
	10,700	12,700	5,800	11,400	11,400	52,000
External Funding						
Development Charges - Roadways	3,620	525	50	2,500	3,200	9,895
Development Charges - Parks	860	405	463	746	615	3,089
Contributions from Developers	115	-	-	-	-	115
Other External Contributions	60	15	15	15	15	120
	4,655	945	528	3,261	3,830	13,219
Total Capital Funding	**42,312**	**37,301**	**32,604**	**47,930**	**45,677**	**205,824**

Key elements of the funding plan for the 2006 – 2010 General Capital Program include:

- **Current contributions to capital are proposed to increase each year by $1.5 million per year starting in 2007.** The increases are delayed by one year compared to the increases in the 2005 – 2009 General Capital Program.

- In 2006, the Province announced the **Community Share 2006 Program** which will provide one-time funding of $6.1 million to Regina for capital projects. The funding will be allocated over two years to various projects.

- The Federal Government has implemented a program to share a portion of the Federal Gas Tax with municipalities. The estimated share for Regina, based on the amounts announced in the Federal Budget for Saskatchewan, are **$3.3 million in 2005, $3.3 million in 2006, $4.4 million in 2007, $5.5 million in 2008 and $11.1 million in 2009. The grant is based on 1.5 cents per litre in 2005, increasing to 5 cents a litre in 2009. While the current program is for five years from 2005 to 2009, the level of funding provided in 2009 is projected to continue for 2010 and future years.**

- **The Municipal Rural Infrastructure Program provides funding for four years, 2005 through 2008. The projected annual funding is $1.7 million.** The funding available through this program is directed to Water and Sewer Utility capital projects, with the utility transferring an equal amount to the General Capital Program. **While the current program ends in 2008, the General Capital Program has been developed based on the program continuing beyond 2008.**

- The Federal Government announced a new transit grant program in 2005. While the details of the program have not been finalized, **the 2006 – 2010 General Capital Program has been developed based on $4.8 million in Transit Grant funding being available in 2006 and 2007.**

- **There is no additional debenture debt funding proposed for the 2006 – 2010 General Capital Program.** There is $2,105,000 in debt previously issued in 2004 that is used to fund capital projects in 2006.

- The funding plan incorporates the use of internal reserves such as the Equipment Replacement Reserve, Asphalt Plant Reserve, Golf Course Reserve and Cemetery Reserve. There is also funding required from the **General Fund Reserve.** Capital funding from the General Fund Reserve in the 2006 – 2010 General Capital Program includes:

  - $430,000 in 2006 for projects related to the ongoing development of Ross Industrial Park.

  - $300,000 in 2006 and $650,000 in each of 2007 and 2008 to fund a portion of the City's contribution to the Urban Development Agreement. The City's contribution is $2.5 million over five years starting in 2006, with $1.6 million of that amount funded through transfers from the General Fund Reserve.

The following chart shows the distribution of funding for 2006.

Sources of Capital Funding – 2006

General Capital Funding

For the 2006 General Capital Budget the current contributions to capital include:

- Current contributions to capital to fund the capital program submitted by the **Board of Police Commissioners**. **The projected requirement for 2006 is $1,504,000.** The required contributions are **a decrease of $312,000** as compared to the current contributions of $1,816,000 in 2005.

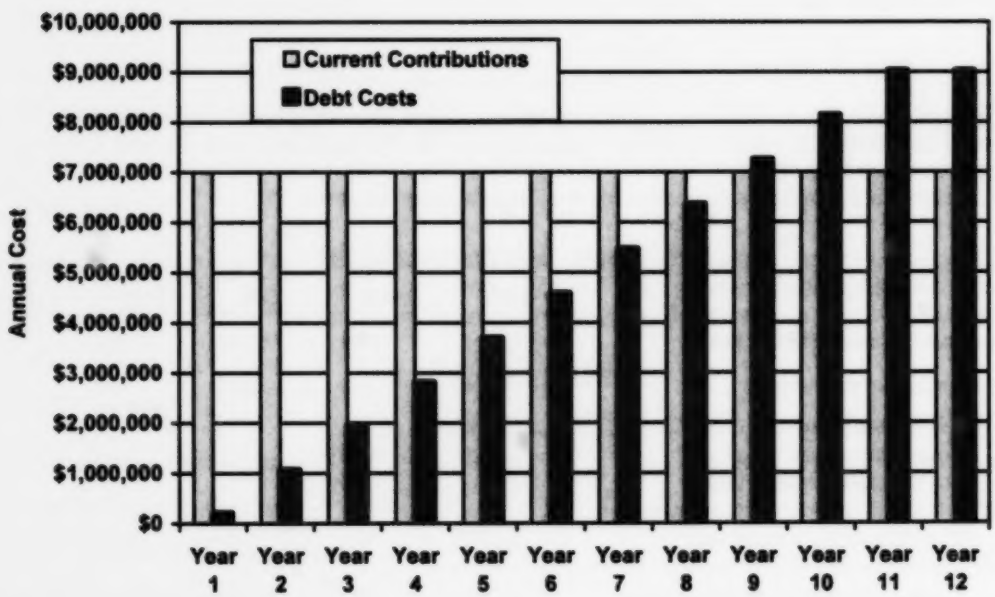
- Current contributions to fund the general portion of the General Capital Program. **The current contributions to capital for 2006 for the general portion of the General Capital Program are $13.0 million,** excluding the transfer from the Water and Sewer Utility related to MRIF funding.

In the long-term, an increase in capital funding from local sources is required if the City is to sustain current assets, or fund the development of assets required to support the growth of the city. The City of Regina, similar to other cities, is faced with a significant infrastructure debt.

It is difficult to increase capital funding from the General Operating Budget quickly. It is important to develop a funding plan that provides for incremental increases over an extended period of time. **The 2006 – 2010 General Capital Program is based on an annual increase in general capital funding (excluding the Police portion) of $1.5 million per year starting in 2007.**

In 1983, City Council adopted a "pay as you go" funding policy for the General Capital Program. In 2001, City Council amended the "pay as you go" policy to use debt financing for "significant non-recurring" general capital projects. **There is no new debt funding proposed in the 2006 – 2010 General Capital Program.** The following graph compares the annual cost of the $7.0 million per year in debt as compared to providing $7.0 million annually through current contributions. The debt costs are based on a ten-year term, and an interest rate of about 5%, with the debt issued July 1 each year.

Comparison of Current Contributions and Debt - $7 Million Annual Funding



While the issuance of debt can provide for increased capital funding, the debt along with the related interest cost must be paid in future years. The use of debt is a trade-off between increased fiscal flexibility in the short term versus reduced fiscal flexibility over the term of the repayment of the debt.

Capital Grants

The 2006 – 2010 General Capital Program was developed based on the following funding from the Province and Federal Government:

- The Province announced an allocation of $6.1 million from the one-time **Community Share 2006 Program** for capital projects.

- The Federal Government has implemented a program to share a portion of the **Federal Gas Tax** with municipalities. The estimated funding available to the City of Regina is $3.3 million in 2006, $4.4 million in 2007, $5.5 million in 2008 and $11.1 million in 2009. The funding program is assumed to continue beyond 2009, with funding at the same level as in 2009.

- The Federal Government announced a new **transit grant program** in 2005. While the details of the program have not been finalized, the 2006 – 2010 General Capital Program has been developed based on $4.8 million in Transit Grant funding being available in 2006 and 2007.

- **For 2008 through 2010, there is a $300,000 per year projected to be received from the Transit for the Disabled (Paratransit) Capital Grant program.** As a result of the new Transit Grant program, the 2006 – 2010 General Capital Program does not assume any funding through the Provincial Paratransit Capital Grant Program in 2006 or 2007.

The **Municipal Rural Infrastructure Program** (MRIF) provides funding for four years, 2005 through 2008. The projected annual funding is $1.7 million. Of the total funding, one-half is from the Province and the other half is from the Federal Government. MRIF funding is directed to Water and Sewer Utility projects. As such, the General Capital Program funding reflects a transfer from the utility in an amount equal to the MRIF funding to be received by the utility. While the current MRIF program is scheduled to end in 2008, the General Capital Program assumes that the funding program will be continued beyond 2008.

Internal Reserves

General Fund Reserve

The General Fund Reserve is the primary general-purpose reserve maintained by the City. The major sources of transfers to the reserve are the operating surplus, the net revenue of the Real Estate operations (primarily revenue from the sale of land), and unexpended capital funds that are returned to the reserve. The following table provides a projection for the General Fund Reserve.

General Fund Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	10,415	8,492	8,152	7,632	7,862
Projected Contributions	1,100	400	400	400	400
Projected Requirements:					
Government House Funding	(20)	(20)	(20)	(20)	-
Country Music Awards Funding	-	(70)	-	-	-
IIHF World Jr Hockey Championship Bid	-	-	(250)	-	-
Operating Budget Requirement	(2,273)	-	-	(150)	-
Capital Program - Ross Industrial	(430)	-	-	-	-
Funding Required for Capital Program	(300)	(650)	(650)	-	-
Reserve Balance - End of Year	8,492	8,152	7,632	7,862	8,262

Landfill Reserve

The Landfill Reserve is funded through a transfer from the General Operating Budget. The transfer is the net revenue from landfill operations (including an amount for the disposal of waste collected through the residential collection program) less the net cost of the waste minimization programs. A 20-year landfill financial model is maintained to determine landfill rates, taking into account revenues, operating costs, and capital requirements. In 2008 and 2009, in total, funding of $5.5 million from Gas Tax Grants is used to fund landfill projects. An offsetting amount is used to fund Street Infrastructure Renewal projects.

Landfill Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	9,797	10,604	13,147	15,267	10,617
Contributions to the Reserve	3,257	3,393	3,495	3,600	3,600
Funding Required for Capital Program	(2,450)	(850)	(1,375)	(8,250)	(4,100)
Reserve Balance - End of Year	10,604	13,147	15,267	10,617	10,117

Golf Course Reserve

The Golf Course Reserve is used to fund golf course capital projects. Contributions to the reserve are from the annual operations of the golf courses. The net revenue after deducting operating expenditures and an allowance for administrative costs is transferred to the reserve. The following table provides a projection for the reserve for the next five years.

Golf Course Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	210	128	128	153	123
Contributions to the Reserve	68	200	200	200	200
Funding Required for Capital Program	(150)	(200)	(175)	(230)	(210)
Reserve Balance - End of Year	128	128	153	123	113

Cemetery Reserve

The Cemetery Reserve is used to fund cemetery capital projects or a loss in the cemetery operations. The annual contribution to the reserve is the net revenue from the cemetery operations after deducting operating expenditures. The following table provides a projection for the reserve for the next five years.

Cemetery Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	266	171	151	116	36
Contributions to the Reserve	-	-	-	-	-
Funding Required for Capital Program	(95)	(20)	(35)	(80)	(35)
Reserve Balance - End of Year	171	151	116	36	1

Equipment Replacement Reserve

The Equipment Replacement Reserve is used to fund the replacement of vehicles and equipment, excluding the vehicles and equipment used by the Transit, Fire and Police Departments. The reserve is used to fund the replacement of existing equipment, not expand the equipment fleet. Additional equipment is funded separately through the capital program. The amount transferred to the reserve each year is the depreciation charge on the existing fleet of vehicles and equipment.

Equipment Replacement Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	963	371	131	149	305
Contributions - Equipment Depreciation	4,216	4,456	4,680	4,784	4,936
Funding Required for Capital Program	(4,808)	(4,696)	(4,662)	(4,628)	(4,605)
Reserve Balance - End of Year	371	131	149	305	636

Asphalt Plant Reserve

The Asphalt Plant Reserve funds the capital requirements and maintenance costs of the asphalt plant. The reserve is funded through a charge on the asphalt produced in the plant. The charge is $5.00 per tonne. The charge includes $2.50 per tonne for funding of capital requirements and $2.50 per tonne for maintenance costs. The following table provides a projection for the reserve for the next five years.

Asphalt Plant Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	624	659	874	889	1,004
Contributions to the Reserve	215	215	215	215	215
Funding Required for Capital Program	(180)	-	(200)	(100)	-
Reserve Balance - End of Year	659	874	889	1,004	1,219

Employer Provided Parking Reserve

The Employer Provided Parking Reserve is funded from parking fees paid by employees. The net fees, after deducting operating costs, are transferred to the reserve to fund capital requirements for the parking facilities. The facilities include the parkade at City Hall and parking lots at other civic facilities.

Employer Provided Parking Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	364	444	524	4	84
Contributions to the Reserve	80	80	80	80	80
Funding Required for Capital Program	-	-	(600)	-	-
Reserve Balance - End of Year	444	524	4	84	164

Technology Reserve

The Technology Reserve is funded from the net revenue generated from the print and office services (computer leasing) programs. These services are budgeted to provide a small surplus to fund the replacement of equipment for the print and office services operations, and if required, to offset a shortfall in the operation of the services.

Technology Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	503	303	288	323	358
Contributions to the Reserve	35	35	35	35	35
Funding Required for Capital Program	(235)	(50)	-	-	-
Reserve Balance - End of Year	303	288	323	358	393

Transit Equipment Reserve

The Transit Equipment Reserve funds the replacement of transit vehicles and equipment, other than transit and paratransit buses. On an annual basis, $22,000 is transferred to the reserve.

Transit Equipment Reserve ($000's)

	2006	2007	2008	2009	2010
Reserve Balance - Start of Year	133	155	147	169	191
Contributions to the Reserve	22	22	22	22	22
Funding Required for Capital Program	-	(30)	-	-	-
Reserve Balance - End of Year	155	147	169	191	213

External Capital Funding

Roadways Development Charges

Roadways Development Charges are collected when a development agreement is entered into between the City and a developer. The agreements require a payment to the City of $37,785 per hectare of land within the development area. Upon execution of a servicing agreement, 30% of the levy is paid, with another 40% within nine months and the balance within a further nine months.

Projects eligible to be funded through Roadways Development Charges, as per City policy, include:

- 75% of the cost for major-arterial roadways in new subdivisions.
- 50% of the cost for major-arterial roadways in developed areas.
- 50% of the additional cost differential over a 14.8 meter collector roadway (bus route standard) for minor-arterial roadways in new subdivisions.
- 25% of the cost for additional lanes of traffic for minor-arterial roadways in developed areas.

Development charge revenue is recognized when the funds are spent on an eligible project. However, in many instances, capital projects eligible for development charge funding have been undertaken ahead of the funds being received from developers. As such, there is a shortfall in development charge funding. The projection for Roadways Development Charges is detailed in the following table. The funding projections have been based on the development of 25 hectares per year.

Roadways Development Charges ($000's)

	2006	2007	2008	2009	2010
Balance - Start of Year	(1,615)	(4,290)	(3,870)	(2,975)	(4,530)
Projected Development Charges Received	945	945	945	945	945
Total Available	(670)	(3,345)	(2,925)	(2,030)	(3,585)
Funding Required:					
Haughton Road	60	-	-	-	-
Intersection - Pasqua Street and Pasqua Gate	170	-	-	-	-
Intersection - Quance Street and University Park Drive	440	-	-	-	-
Intersection - Quance Street and Prince of Wales Drive	115	-	-	-	-
Northwest Sector Road Improvements	2,660	75	-	-	-
Intersection - Victoria Avenue and Windsor Park Road	175	-	-	-	-
Courtney Street	-	450	-	-	-
Arcola Avenue	-	-	50	-	-
Roadway Network Improvements - General Allocation	-	-	-	2,500	3,200
Total Required	3,620	525	50	2,500	3,200
Balance - End of Year	(4,290)	(3,870)	(2,975)	(4,530)	(6,785)

Parks and Recreation Development Charges

Parks and Recreation Development Charges are collected when a development agreement is entered into between the City and a developer. The agreements require a payment to the City of $12,650 per hectare of land within the development area. Within one year of the execution of a servicing agreement, 50% of the levy is paid, with the balance within a further year.

The determination of projects eligible for funding from Parks and Recreation Development Charges is established in *The Planning and Development Act, 1983*. The guidelines adopted by the City include:

- 50% of the cost of zone level parks and facilities. Projects in the zone level category service an area larger than a single subdivision, generally encompassing several subdivisions. Zone level developments are required as a result of growth and new program concepts.

- 100% of the cost of neighbourhood level parks and facilities. Development of neighbourhood level parks is primarily the responsibility of the developer and is generally included in the development of the subdivision. Due to additional development and subsequent population growth, new park components or facilities may be required.

- 10% of the cost of municipal level parks and facilities. Municipal level parks and facilities serve the city as a whole. The timing of these projects generally results from development and subsequent population growth in new subdivisions.

- 100% of the cost of residential street tree plantings.

- 75% of the costs of tree plantings on major arterials serving new subdivisions.

Development charges are deferred revenue, with the revenue not recognized until the funds are spent on an eligible project. The projections for Parks and Recreation Development Charges are detailed in the

next table. The funding projections have been based on the development of an average of 25 hectares per year.

Parks and Recreation Development Charges ($000's)

	2006	2007	2008	2009	2010
Balance - Start of Year	3,047	2,503	2,414	2,268	1,838
Projected Development Charges Received	316	316	317	316	316
Total Available	3,363	2,819	2,731	2,584	2,154
Funding Required:					
Multi-Purpose Pathway	30	200	180	350	265
Tree Plantings - New Subdivisions	25	25	25	25	25
Tree Plantings - Major Arterials	145	130	200	160	140
Tree Planting - Mallard Way	15	-	-	-	-
Outdoor Play Amenities	95	50	50	205	155
New Skateboard Park	50	-	-	-	-
Lakeridge Sports Park	500	-	-	-	-
Prairie Island Interpretive Centre	-	-	8	-	-
A.E. Wilson Access Road		-	-	6	-
Douglas Park Storage Facility	-	-	-	-	30
Total Required	860	405	463	746	615
Balance - End of Year	2,503	2,414	2,268	1,838	1,539

Payments in Lieu of Land Dedication

Pursuant to Section 206 of *The Planning and Development Act, 1983*, developers are required to dedicate a portion of a development as municipal reserve. The legislation provides that a developer may make a payment in lieu of dedicating the required lands. The funds received are held as deferred revenue until such time as the funds are expended on eligible expenditures. The funds are to be used for the purchase of land to be dedicated for public use or used for the development of and maintenance of existing municipal reserves. There is about $77,000 in deferred revenue at the end of 2005.

Payments in Lieu of Parking

Payments in lieu of parking are received pursuant to Section 75 of *The Planning and Development Act, 1983*. Funds received are held as deferred revenue until spent on eligible expenditures as defined in legislation. As of the end of 2005, there is no deferred revenue for Payments in Lieu of Parking.

Other External Capital Funding Sources

External contributions assumed in the 2006 – 2010 General Capital Program include the following:

- $115,000 in 2006 from the developer for improvements to the intersection of Quance Street and Prince of Wales Drive. The total project cost is $350,000 with the balance of the funding from Roadway Development Charges ($115,000) and current contributions to capital ($120,000).
- $45,000 in 2006 for the relocation of camera platforms in Taylor Field. The total cost is $90,000 with the balance of the funding provided through current contributions to capital.
- $15,000 in each of the five years of the General Capital Program for program furnishings and equipment. The funding results from the agreement for the supply of beverages to the facilities.

General Capital Program Expenditures

Capital Expenditure Summary

Capital Expenditures ($000's)	2006	2007	2008	2009	2010	Five Year Total
Engineering and Works Department						
Transportation	**16,960**	15,315	12,175	20,495	21,400	86,345
Waste Management	**3,780**	2,180	2,105	9,600	4,100	21,765
Other Capital Projects	**475**	340	350	400	150	1,715
	21,215	17,835	14,630	30,495	25,650	109,825
Community Services Department						
Recreation and Community Facilities	**1,850**	845	1,075	1,480	2,145	7,395
Outdoor Athletic Surfaces & Facilities	**490**	940	575	995	1,080	4,080
Open Space	**1,860**	1,190	2,105	1,985	1,570	8,510
Streetscape	**250**	235	305	235	210	1,235
Golf Courses	**150**	200	175	230	210	965
Cemeteries	**95**	20	35	80	35	265
Other Capital Projects	**865**	905	835	780	675	4,060
	5,360	4,335	5,105	5,785	5,925	26,510
Corporate Services Department						
Fleet	**4,808**	4,696	4,662	4,628	4,605	23,399
Facilities	**2,400**	2,730	1,913	2,451	2,935	12,429
Information Technology	**1,535**	1,350	1,300	1,300	1,300	6,785
Land Development	**430**	-	-	-	-	430
	9,173	8,776	7,875	8,379	8,840	43,043
Transit Department	**4,800**	4,830	2,205	2,255	2,255	16,345
Fire Department	**260**	565	1,910	235	2,210	5,180
Police Department	**1,504**	960	879	781	797	4,921
Total Capital Expenditures	**42,312**	**37,301**	**32,604**	**47,930**	**45,677**	**205,824**

Engineering and Works Department

Capital Program Summary

	2006	2007	2008	2009	2010	Five Year Total
Capital Expenditures ($000's)						
Transportation						
Street Infrastructure Renewal	**10,000**	11,000	11,000	12,000	13,000	57,000
Roadway Network Improvements	**5,550**	2,700	100	5,000	6,400	19,750
Bridge Infrastructure Renewal	**600**	940	400	2,700	1,200	5,840
Traffic Control and Safety	**640**	595	595	745	750	3,325
Other Transportation Projects	**170**	80	80	50	50	430
Waste Management						
Landfill	**2,450**	850	1,375	8,250	4,100	17,025
Waste Collection	**1,330**	1,330	730	1,350	-	4,740
Other Capital Projects						
Asphalt Production & Field Services	**305**	-	200	250	-	755
Buildings and Yards	**150**	150	150	150	150	750
Vehicles	**20**	190	-	-	-	210
Total Expenditures	**21,215**	17,835	14,630	30,495	25,650	109,825
Capital Funding ($000's)						
Current Contributions to Capital	**6,420**	7,360	6,805	7,845	6,550	34,980
Utility Transfer - MRIF	**1,700**	1,700	1,700	1,700	1,700	8,500
Landfill Reserve	**2,450**	850	1,375	8,250	4,100	17,025
Gas Tax Grant	**3,300**	4,400	4,500	10,100	10,100	32,400
Development Charges - Roadways	**3,630**	525	50	2,500	3,200	9,895
Asphalt Plant Reserve	**180**	-	200	100	-	480
Community Share 2006 Program	**1,325**	3,000	-	-	-	4,325
Existing Debt	**2,105**	-	-	-	-	2,105
Developer Contributions	**115**	-	-	-	-	115
Total Funding	**21,215**	17,835	14,630	30,495	25,650	109,825

Street Infrastructure Renewal

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. **Street Infrastructure Renewal** - Asphalt recapping, upgrading of centre medians in conjunction with recapping, funding of the pavement management information system survey, funding for local improvement walk, curbs and gutter replacement, and reconstruction and recapping of roadways in conjunction with local improvement work.	**10,000**	11,000	11,000	12,000	13,000
Total Expenditures	**10,000**	11,000	11,000	12,000	13,000
Capital Funding					
Current Contributions to Capital	**2,895**	4,900	4,800	200	1,200
Transfer from Utility - MRIF	**1,700**	1,700	1,700	1,700	1,700
Gas Tax Grant	**3,300**	4,400	4,000	5,100	10,100
Community Share 2006 Program	**1,000**	1,000	-	-	-
Existing Debt	**2,105**	-	-	-	-
Landfill Reserve	-	-	500	5,000	-
Total Funding	**10,000**	11,000	11,000	12,000	13,000

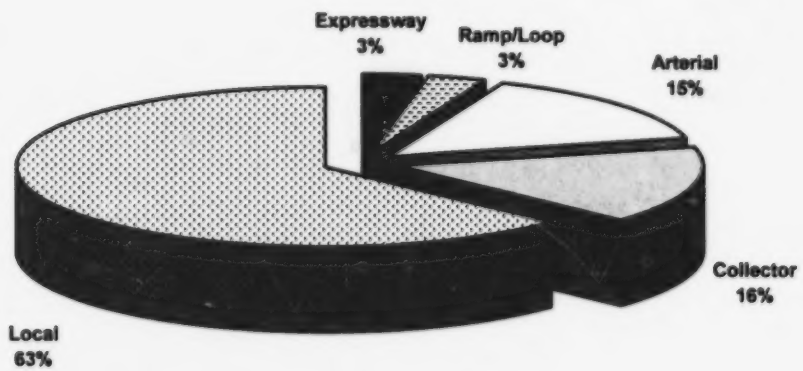
In addition to the $10.0 million in funding allocated for 2006, there is an additional $1.2 million in funding carried over from the 2005 allocation.

Roadways rate the highest in terms of the most important service issue and lowest in terms of satisfaction with the service. In the most recent public survey almost 79% of those surveyed were of the view that there needed to be more spending on fixing streets and roads. Transportation infrastructure includes:

- 899 kilometres of paved roads
- 29 kilometres of gravel roadways; and,
- 1,282 kilometres of sidewalks.

The functional classification of the road inventory is shown in the following graph.

Road Network Classification



Rehabilitation of existing roads refers to both reconstruction and asphalt recapping. An asphalt recap consists of planning off a layer of old asphalt and replacing it with a new asphalt surface that is usually thicker than the one that was removed. Insufficient funding for street infrastructure renewal has been an issue for decades. While different road designs have different pavement lifecycles, the typical process for rehabilitation involves the following activities over a 45-year cycle:

- Initial construction or reconstruction.
- First asphalt recap in year fifteen.
- Second asphalt recap in year twenty-five.
- Third asphalt recap in year thirty-five.
- Reconstruct in year forty-five.

The amount of road rehabilitation (reconstruction and recapping) that has been accomplished since 1992 is shown in the following table.

Road Rehabilitation (Kilometres)

	Street Reconstruction				
Year	Collectors & Arterials	Local Streets	Total	Street Recapping	Total Rehabilitation
1992	0.8	2.5	3.3	10.0	13.3
1993	3.3	2.3	5.5	7.7	13.2
1994	0.3	1.6	1.9	26.8	28.7
1995	0.8	1.5	2.3	8.5	10.8
1996	0.3	0.8	1.0	10.0	11.0
1997	2.7	1.3	3.9	12.2	16.1
1998	0.8	0.2	1.0	9.4	10.4
1999	1.9	1.3	3.2	16.6	19.8
2000	2.0	1.8	3.8	13.0	16.8
2001	1.2	1.4	2.6	17.0	19.6
2002	0.9	0.8	1.7	15.9	17.6
2003	0.7	-	0.7	20.3	21.0
2004	0.5	-	0.5	19.3	19.8
2005	0.4	-	0.4	24.1	24.5
		Annual Average	**2.3**	**15.1**	**17.3**
2006 Target[1]					33.0

Note:

1. *The 2006 capital budget for roadways will provide for approximately 28 km of road rehabilitation. The street infrastructure program for 2006 will also include approximately 5 km of roadway rehabilitation carried over from 2005.*

If the typical process for rehabilitation was followed, the rehabilitation program would require 20 km of road reconstruction and 60 km of recapping per year. As shown in the previous table, the average amount of road reconstruction is approximately 2.3 km per year, about one-eighth of the amount required. Road recapping averages 15.1 km per year, or about one-quarter of the amount required.

Recently, Engineering and Works began investigating the use of contemporary asset management techniques to develop a holistic approach to the investment in the City's roadways. The focus involves developing and implementing the most cost efficient maintenance strategies on the right roads at the right time. This approach achieves effective investment in roadways, as well as maintaining an acceptable level of service. As the City utilizes more preservation treatments which lower unit costs the length of roadways rehabilitated will increase.

The cost of recapping is substantially less than reconstruction. The estimated cost comparison based on work undertaken in Regina is as follows:

- For arterial streets, the cost per square meter for reconstruction is $54, compared to a cost of $22 for recapping.

- For collector streets, the cost per square meter for reconstruction is $47, compared to a cost of $18 for recapping.

- For local streets, the cost per square meter for reconstruction is $45, compared to a cost of $14 for recapping.

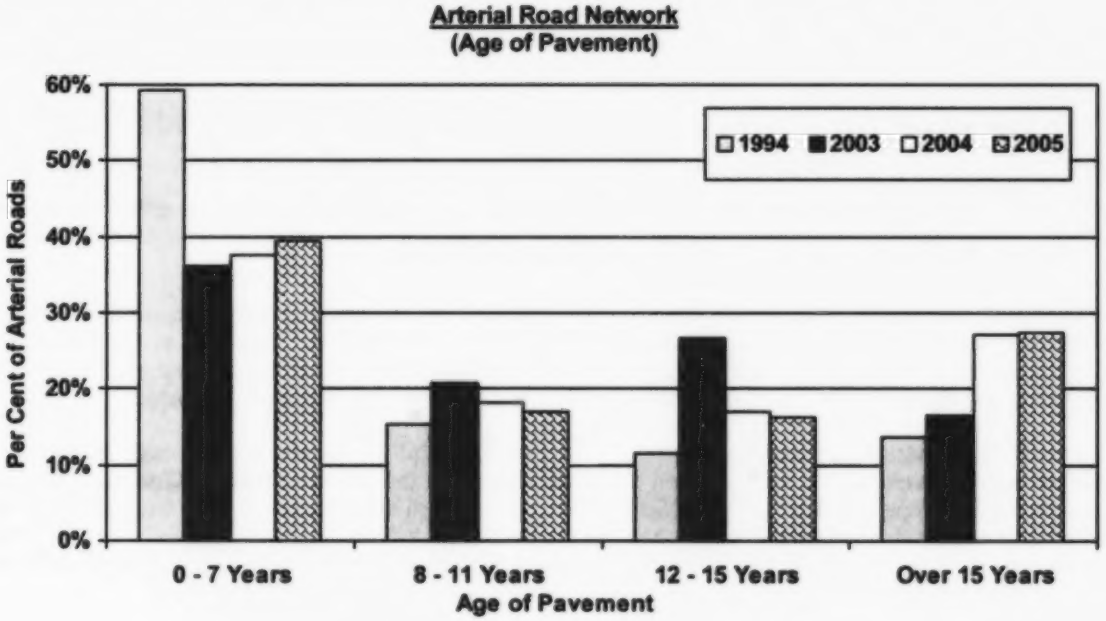
The cost of reconstruction is from 2.5 to 3.2 times the cost of recapping. If the capital investment for recapping does not occur at the right time, there is increased risk that reconstruction will have to occur at an earlier date than otherwise would be the case.

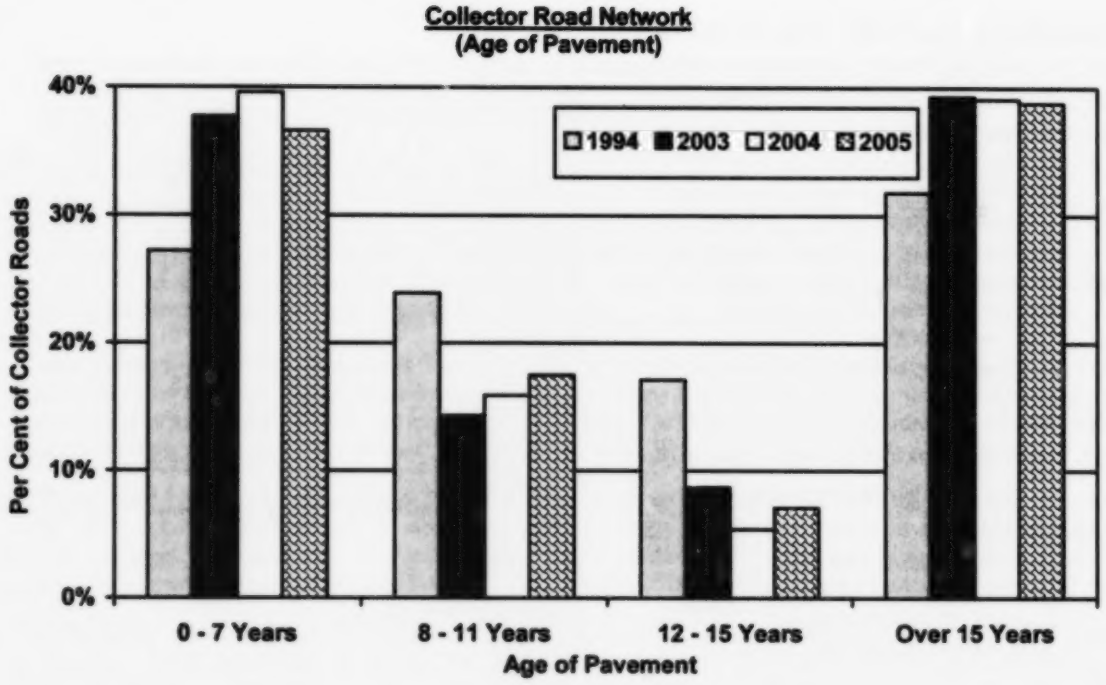
Funding for road rehabilitation is insufficient to meet current requirements, let alone address the backlog created by the shortfall in funding in prior years. In the last three years, increased funding for roadways has resulted in a slight increase in rehabilitation work on the roadways. A greater length of rehabilitation work was completed during the years extra funding was available from infrastructure programs.

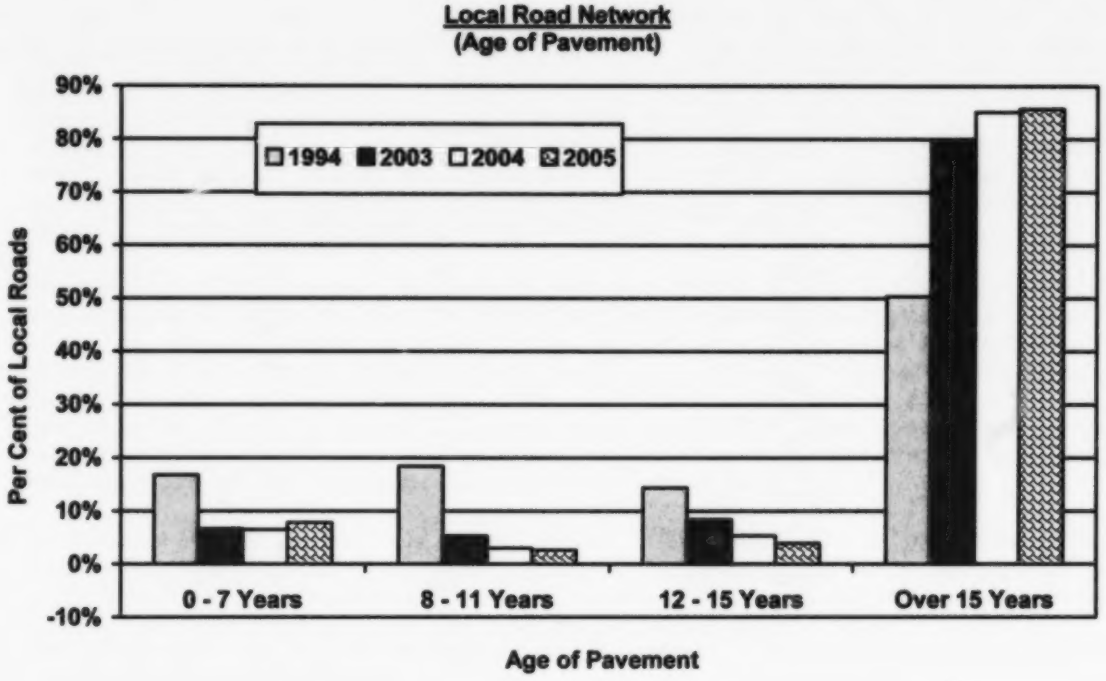
About ten years ago, the City decided to focus rehabilitation on major roadways and collector roadways to provide the most benefit to all motorists. Studies have shown that 80% of the traffic travel occurs on 20% of the total road network. Funding for roadway infrastrucutre renewal is currently prioritized as follows (from highest to lowest priority):

- Expressways and arterial roadways.
- Collector roadways and bus routes.
- Major local roadways – commercial, industrial, institutional, bus routes.
- Local roadways.

The result of this strategy is reasonable attention to major roads with minimal funding for local streets. As evidenced by the following graph, the majority of the major roads have been resurfaced within the last 20 years. The majority of local streets have pavement ages that are greater than 20 years old.




Collector Road Network
(Age of Pavement)
40%
30%
20%
10%
0%
Per Cent of Collector Roads
1994
2003
2004
2005
0 - 7 Years
8 - 11 Years
12 - 15 Years
Over 15 Years
Age of Pavement


Local Road Network
(Age of Pavement)
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
-10%
Per Cent of Local Roads
1994
2003
2004
2005
0 - 7 Years
8 - 11 Years
12 - 15 Years
Over 15 Years
Age of Pavement

Roadway Network Improvements

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Haughton Road	60	-	-	-	-
2. Intersection - Pasqua Street & Pasqua Gate	210	-	-	-	-
3. Intersection - Quance Street & University Park Drive	880	-	-	-	-
4. Intersection - Quance Street & Prince of Wales Drive	350	-	-	-	-
5. Northwest Sector Road Improvements	3,550	100	-	-	-
6. Intersection - Victoria Avenue East and Windsor Park Road	500	-	-	-	-
7. Interchange - Highway No. 1 and Lewvan Drive	-	2,000	-	-	-
8. Courtney Street	-	600	-	-	-
9. Arcola Avenue	-	-	100	-	-
10. Roadway Network Improvements - General Allocation	-	-	-	5,000	6,400
Total Expenditures	5,550	2,700	100	5,000	6,400
Capital Funding					
Current Contributions to Capital	1,990	2,175	50	2,500	3,200
Development Charges - Roadways	3,445	525	50	2,500	3,200
Community Share 2006 Program	325	2,000	-	-	-
Developer Contributions	115	-	-	-	-
Total Funding	5,550	2,700	100	5,000	6,400

Roadway Network Improvements consist of new road construction for locations approved as part of the Regina Road Network Plan. The majority of the locations are adjacent to new development areas and are partially funded by development charges. Developers fund construction of new local and collector streets. The following table provides information on new road development (in kilometres) since 1992.

New Roads (Kilometres)

Year	City Funded	Developer Funded	Total
1992	0.9	4.4	5.3
1993	-	3.5	3.5
1994	0.6	4.9	5.5
1995	0.9	2.1	3.0
1996	0.2	2.2	2.4
1997	0.4	1.7	2.1
1998	-	2.3	2.3
1999	0.8	3.7	4.5
2000	-	2.5	2.5
2001	0.6	3.6	4.2
2002	0.3	3.8	4.1
2003	-	4.2	4.2
2004	-	4.2	4.2
2005	0.4	8.9	9.3

Projects in the 2006 – 2010 General Capital Program include:

- **Haughton Road** – In 2006, $60,000 is provided to construct left turn lanes at the intersections with Willow Road and Windsor Park Road as required by development agreements. **Funding for this project is from Development Charges – Roadways.**

- **Intersection - Pasqua Street and Pasqua Gate** – In 2006, $210,000 is provided to improve the capacity and alignment of the existing left turn lanes. The improvements will also reduce through traffic delays at the intersection. A traffic study has indicated that due to future traffic volumes, the initial scope would be inadequate. The 2006 budget of $210,000 brings the total project funding to $340,000 in line with the study recommendations. **The 2006 funding for this project includes $170,000 from Development Charges – Roadways.**

- **Intersection – Quance Street and University Park Drive** – In 2006, $880,000 is provided to add left turn lanes on Quance Street, thereby improving the safety and capacity of this intersection to handle east-west traffic and turning movements. **Funding for this project includes $440,000 from Development Charges - Roadways.**

- **Intersection – Quance Street and Prince of Wales Drive** – In 2006, $350,000 is provided to widen the intersection at Quance Street and Prince of Wales Drive to provide left-turn bays in each direction. The work will improve capacity and safety at this intersection. **The developer will contribute $115,000 to this project with another $115,000 funded from Development Charges – Roadways.**

- **Northwest Sector Road Improvements** – In 2006, $3,550,000 is provided to construct an East West Arterial Road between Pasqua Street and McCarthy Boulevard. The Northwest Sector Road Network Plan approved in 2005 identified construction of the new arterial north of Lakeridge as the most cost effective capacity improvement identified to manage capacity on Pasqua Street. **Funding includes $2,660,000 from Development Charges – Roadways.** In 2007, $100,000 is provided for a functional planning study for Pasqua Street from Sherwood Drive to Rochdale Boulevard. The Northwest Sector plan reconfirmed the need to construct an interchange at Pasqua Street and Ring Road and to widen Pasqua Street in order to accommodate commercial development already approved in the Northwest Sector Plan. This infrastructure investment may be needed in five to ten years depending on the type and rate of land development and the level of congestion and neighbourhood shortcutting. A functional planning study is required to update the interchange design that was completed over twenty years ago, to determine the extent of widening and to develop current cost estimates. The Regina Road Network Plan includes widening Pasqua Street between 9th Avenue North and Rochdale Boulevard. The Northwest Sector Plan recommends further study of the widening between Sherwood Drive and Ring Road. **Funding includes $75,000 from Development Charges Roadways.**

- **Intersection – Victoria Avenue East and Windsor Park Road** – In 2006, $500,000 is provided for the completion of a full intersection along Victoria Avenue at the extension of Windsor Park. The south half of this intersection is proposed for construction in 2006 and is totally funded and constructed by Developers. It was determined that it is appropriate to also construct the north half of this intersection in 2006 to take advantage of savings in design and construction costs by doing both projects simultaneously. **The funding for this project is made up of $175,000 from development charges and $325,000 from the Community Share 2006 Program. The total project cost will be $800,000 including $300,000 of funding allocated in a previous capital budget.**

- **Interchange – Highway No. 1 and Lewvan Drive** – In 2007, $2,000,000 is provided as an initial commitment of funding from the City of Regina towards the construction of the interchange which will commence in 2007. The total cost and funding of this project still needs to be resolved and will include the Province of Saskatchewan, potentially the Federal Government, development charges from the southwest sector and the City of Regina. **The $2 million in funding is provided from the Community Share 2006 Program.**

- **Courtney Street** – In 2007, $600,000 is provided to construct the east side of Courtney Street between Dalgliesh Drive and Rochdale Boulevard. **Funding for his project includes $450,000 from Development Charges – Roadways**.

- **Arcola Avenue** – In 2008, $100,000 is provided to complete a functional plan review and preliminary design for Arcola Avenue from Victoria Avenue to Winnipeg Street. The Regina Road Network Plan includes the proposed widening and realignment of Arcola Avenue between Winnipeg Street and Victoria Avenue. The rapid development along Victoria Avenue East and in the Southeast Sector will require the increased capacity on this roadway in the near future. This may include reconstructing Arcola Avenue on an adjacent right of way owned by the City to improve safety at the Victoria Avenue intersection and with neighbourhood roadways. This project is required to verify property requirements, adjacent street connections and intersection alignments. **Funding for this project includes $50,000 from Development Charges – Roadways.**

- **Roadway Network Improvements – General Allocation** – In 2008 and 2009, a total of $11,400,000 provided as a general allocation for roadway network improvements. Planning for roadway network requirements is currently underway and will require construction of new facilities and improvements to existing infrastructure to accommodate current and future traffic needs. Specific projects will be identified, and funding requirements finalized in the future. **Funding for this project includes $5,700,000 from Development Charges – Roadways.**

Bridge Infrastructure Renewal

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. McDonald Street/Ring Road Bridge (northbound)	600	-	-	-	-
2. Dewdney Avenue/Wascana Creek Bridge	-	940	-	-	-
3. Assiniboine Avenue/Bypass Bridge	-	-	400	-	-
4. Albert Memorial Bridge	-	-	-	2,700	-
5. Arcola Avenue/Highway No. 1 Bridge	-	-	-	-	1,200
Total Expenditures	600	940	400	2,700	1,200
Capital Funding					
Current Contributions to Capital	600	940	400	2,700	1,200

The City's transportation network includes 36 bridge or overpass sites, including eight rail overpasses, nine grade separations and bridges, 18 water overpasses and one pedestrian overpass.

The Bridge Renewal program provides for major repairs to bridges to extend their life expectancy by another 20 to 25 years. The average life expectancy of a new bridge is 30 years. With the current level of funding, approximately one bridge site per year can be repaired. Based on current funding levels, after repairs are done, it could be 35 years before that particular bridge site will receive major work again. Since the program started in 1988, work on 18 of the City's 36 bridge sites has been completed.

Each year condition surveys are carried out on the bridges. The results of these surveys are used to identify the required work. Based on the results of the surveys and the funding available, priorities are established. Typical bridge rehabilitation includes repairs to deteriorated sidewalks, deck surfaces, asphalt wearing surfaces, concrete barriers, expansion joints, safety curbs, slope protection and the approaches on both ends of the deck. The Albert Memorial Bridge is scheduled for repair in 2009 and is considerably more expensive to rehabilitate than other bridges. The repair work entails repairing the arch, sidewalk and deck slab; filling the voids beneath the bridge deck; and repairing the architectural components.

Traffic Control and Safety

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Traffic Improvements:					
- Traffic management and parking	**210**	230	180	280	210
- Pedestrian protection	**120**	50	50	50	50
- Street lighting	**35**	-	35	-	30
2. Traffic Signals:					
- New or enhanced traffic signals	**165**	165	180	180	180
- Traffic signal rehabilitation	**110**	150	150	235	280
Total Expenditures	**640**	595	595	745	750
Capital Funding					
Current Contributions to Capital	**640**	595	595	745	750

There is significant infrastructure in place to provide for the safe and effective use of the transportation system. The infrastructure is intended to address the needs of traffic and pedestrian users of the system.

Traffic Improvements

- **Traffic Management and Parking**

  Improvements at intersections include better channelization, signing, lane designation, pavement markings, warning devices, additional turning lanes, improved horizontal and vertical alignments, traffic calming and removal of sightline impediments. Intersections are analyzed for improvements based on accident statistics, traffic counts, public concerns and observations. This program also includes the installation of parking restrictions, loading zones and parking meters. Included in this program are design and installation of a northbound left turn lane on Park Street at 12th Avenue for $100,000. Other initiatives include:

  - Ring Road Sign Rehabilitation Program - At the present time, there are 44 large information signs and 13 exit signs along Ring Road from Victoria Avenue to Pasqua Street. These signs are beyond their design life and are deteriorating rapidly. The cost to replace all the information, exit signs and support posts is estimated at $300,000 if done as a single year project. This program replaces 6-10 signs per year and is on-going until all signs have been replaced.

  - Parking Meter Security - This program provides $60,000 funding to replace the open-type coin canister in each of the City's 1,350 parking meters with a locking canister. It also includes the purchase of four mobile collection devices. Collection staff will no longer have access to coins. Access to coins will only be possible within a high security area located within the Transit Building.

  - Tourist Signing – Phase II - This program implements the second phase of the Tourist Signing Program. Phase I occurred in 2003. Work includes two additional gateway signs that welcome visitors to Regina on Highway No. 6 from the north and the south, an array of signs leading visitors to tourist attractions and to motorist services for north Regina, and three variable message signs located at City entrances on the Trans Canada Highway east and west and also along Highway No. 11. These signs can be programmed and provide an opportunity to promote special events like the recent Canada Summer Games.

- **Pedestrian Protection**

  Improvements include the installation of pedestrian corridors, pedestrian half signals, pedestrian crosswalk signs, park signs in front of schools and the installation of fence adjacent to high-speed

roadways. The program also includes public awareness advertising to educate pedestrians and motorists on the proper usage of pedestrian safety devices particularly for school aged pedestrians.

Operating costs are increased each time a pedestrian protection device is installed. Estimated annual operating costs of each device is as follows: pedestrian half signal – $1,090 per year; pedestrian corridor – $850 per year; overhead pedestrian crosswalk – $240 per year; and sidemount pedestrian crosswalk – $130 per year.

For 2006, major projects include a new pathway between Argyle Park and the Wal-Mart shopping area, implementation of a special flashing reduced speed school zone at the Regina Christian School, installation of a safety fence along Arcola Avenue between University Park Drive and Pilot Butte Creek and a pedestrian crossing at the new location of the Regina Food Bank on Winnipeg Street.

- **Street Lighting**

Streetlights are installed and maintained by SaskPower, with funding provided by the City. The capital program is intended to install new street lights along roadways that do not have lights or to upgrade lighting levels on streets with lights to meet the City's minimum illumination standard. Operating costs to the City are increased each time a new street light is installed. Estimated increased costs to the City per new streetlight are $150 per year. For 2006, major projects include installation of street lights on 14 block Fleury and along McKinley Avenue between Pasqua Street and Princess Street. Lights presently do not exist at these locations.

Traffic Signals

- **New or Enhanced Traffic Signals**

Typical projects range from installation of a complete set of new traffic signals at an intersection, to minor phasing changes. Signal phasing changes involve modifying signal plans in response to changing traffic patterns. Locations are determined after analysis, consultation with residents and submission of a report to the Works and Utilities Committee. The proposed funding typically accommodates one new signalized intersection a year with a cost of $100,000.

- **Traffic Signal Rehabilitation**

This is an ongoing project that will replace traffic signal poles, ducts and wiring. This equipment has an expected life span of 25 years at which time poles and their components should be replaced. Some rehabilitation work will take place through the traffic signal system upgrade. Program locations are selected based on the condition of the signal and coordination with major roadway improvement projects.

Other Transportation Projects

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Bikeway System	**80**	30	30	-	-
2. Railroad Crossings	**90**	50	50	50	50
Total Expenditures	**170**	80	80	50	50
Capital Funding					
Current Contributions to Capital	**170**	80	80	50	50

Bikeway System

The City's first on-street bicycle routes were installed in 1998. The City Council approved Bicycle Network Plan identifies several other routes needed to establish a core network of on-street routes to encourage an increase in bicycle use in Regina and to improve the safety for cyclists riding on city streets. The proposed funding in 2006 includes the engineering design and implementation of a downtown route and the engineering design for the link to be implemented in 2007. The downtown route will connect Regina's Downtown and Wascana Centre through the Transition Area. A needs assessment already in progress, is measuring the usage of the existing on-street routes and the value residents place on planned routes. This information will help establish funding priorities for implementing future on-street routes.

Railroad Crossings

There are a total of 59 at-grade railway crossings in the city. Each crossing is provided with a warning device. The standard warning device consists of railway cross arms (signs) with reflectors. Higher volume crossings have additional warning in the form of automatic warning systems (signals). Some at-grade crossings are subject to prohibitions on the blowing of engine whistles (anti-whistling). Train operators are required by law to blow their whistle at all railway-roadway crossing except when anti-whistling agreements are in place. The following table provides a summary of the at-grade railway crossings in Regina.

Warning Device and Whistling Status	Number of Crossings
Signs only - No Anti-Whistling	15
Signs only - With Anti-Whistling	1
Automated Crossing Protection - No Anti-Whistling	28
Automated Crossing Protection - With Anti-Whistling	15
	59

The City identified twenty of the railway crossing locations with automatic crossing protection where anti-whistling agreements would be requested. All locations that are slated for anti-whistling must pass safety inspections that often result in upgrades to the warning devices. Crossing upgrades have been completed at 15 of the designated locations (eight on Canadian Pacific and seven on Canadian National crossings). Anti-whistling has been approved by Transport Canada and implemented at five of the 15 locations. The funding in the budget is to improve safety at locations where anti-whistling is planned.

Landfill

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Fleet Street Landfill:					
- Landfill capping and closure	**150**	600	600	3,250	3,250
- Small Vehicle Station Wind Screen	**150**	-	-	-	-
- Landfill Gas Collection Phase I	**1,900**	-	-	-	850
2. New Landfill:					
- Environmental Impact Assessments	**250**	250	-	-	-
- Engineering design	-	-	775	5,000	-
Total Expenditures	**2,450**	850	1,375	8,250	4,100
Capital Funding					
Landfill Reserve	**2,450**	850	875	3,250	4,100
Gas Tax Grants	-	-	500	5,000	-
Total Funding	**2,450**	850	1,375	8,250	4,100

The City's landfill is located in the northeast corner of the city. The landfill has been in operation at the site since 1961. The site occupies approximately 97 hectares, with the footprint of the landfill disposal mound covering approximately 60 hectares. The current height of the landfill is approximately 30 meters above the surrounding landscape.

In the late 1980s a comprehensive Waste Management Study was initiated and completed in 1989. The study addressed the City's future landfill needs. Following a process for public input, in April 1991, City Council decided to proceed with plans to develop a new sanitary landfill adjacent to the existing site. The development of a landfill requires review and approval by Saskatchewan Environment. Since 1991, additional reports were prepared. In 1995, The Fleet Street Landfill Optimization Study was completed. This study looked at ways to optimize landfill operations to prolong the life of the current site. The current solid waste disposal site has had an expected life of approximately 8 to 10 years as of 2000. Current fill progression is approximately on target with the projections. As a result, the projected time that the current landfill will be at capacity is between 2008 and 2010.

A detailed assessment of the impact of the landfill on the groundwater resources in the area was required to support an application for expansion of the landfill and for closure of the existing landfill. The City had an agreement with the University of Regina to conduct a study that would select and calibrate a groundwater model for the Fleet Street Landfill. The calibrated model will be used to determine the impacts that have occurred on the aquifers in the area due to the landfill operation. The model will also be used to assess potential impacts on the aquifers due to expansion of the landfill site and design of protection measures needed to ensure impacts are minimal. The study and model were completed in 2004.

Fleet Street Landfill

- **Capping and Closure**

  Costs for the existing landfill on Fleet Street include closure and post closure costs. The projected costs are in the range of $10 to $16 million. Funding is for preliminary engineering related to cover design (test cover plots), a closure plan update and pre-design and design engineering of the cover. Allowances are provided in 2007 and 2008 for engineering design and cover material borrow pit acquisition and development. Starting in 2009, cover placement will begin on portions of the landfill that are at final configuration. The major element of landfill closure is fill progression. Fill progression is the sequencing of garbage placement on the landfill hill so as not to cause problems such as slope instability and also to achieve the most efficient use of air space for garbage. A study undertaken in 2001 recommended a fill progression plan to maximize the capacity of the existing landfill. Assuming a relatively constant yearly volume of between 250,000 m^3 and 300,000 m^3 there is five to seven years of landfill capacity remaining.

  A landfill closure plan was developed for the Fleet Street Landfill in 1993. The closure plan presented five cap configurations. The five configurations were multi-layered covers consisting of layers of clay, claytill and/or geosynthetic membranes. The City is conducting further research into the performance of different landfill capping options. The research will form a component study to be used in the overall update of the closure plan. This work will take approximately three years to complete. Capping work for the existing landfill is projected to start about 2008 and continue over several years thereafter.

- **Small Vehicle Transfer Station Upgrade**

  The small vehicle transfer station was commissioned in 2005. Operating experience indicates that windy days cause conditions of refuse blowback which is objectionable to customers and also results in increased cleanup labour costs. It is proposed to design and install a windscreen to mitigate this impact. An allowance of $150,000 is provided for this upgrade in 2006.

- **Gas Collection**

  Landfill gas is produced from the anaerobic decomposition of organic wastes deposited in landfills. Landfill gas is mainly composed of methane and carbon dioxide with other gases in trace amounts. The gas produced at the landfill must be managed or it will continue to be a source of pollution and may hinder closure activities.

  The University of Regina completed a study from 1997 to 2001 regarding emissions from the Fleet Street landfill. A report titled "Landfill Emissions Study – Final Report" was submitted in 2001 that details the research. This study indicated that the Fleet Street Landfill generates approximately 8,800 tonnes/year of methane and 34,000 tonnes/year of carbon dioxide. The study concluded the landfill would be expected to generate sufficient landfill gas to support a gas recovery project. The study also concluded that an engineering feasibility study would be required to examine the potential for recovery and utilization of landfill gas at the site.

  A consultant was commissioned to conduct a landfill gas feasibility study. This study determined how much gas the landfill could generate, for how long and whether it would be sufficient to support an energy project. The feasibility study is favourable for an energy recovery project or other beneficial use type project. The City is currently pursuing the involvement of a third party in a landfill gas beneficial utilization project. The City would undertake to design, install and operate the gas collection project and sell the gas to the third party. Funding for the collection system is $1,900,000 in 2006 for Phase 1 and $850,000 in 2010 for Phase 2. Operation and maintenance costs are estimated at $95,000 annually starting in 2008. The gas being produced at the Fleet Street Landfill would be managed through collection and flaring until implementation of a beneficial use project.

New Landfill

The 2006 – 2010 General Capital Program provides funding for the work to obtain regulatory approval for a new landfill development adjacent to the existing site, and initial design costs for the first cell. The total projected cost for a new landfill based on a 20-year capacity is in the range of $25 to $40 million over the next 20 years. Construction of a new landfill would likely involve development of cells with a capacity for five years. The cost of each cell is estimated at $7 million. Once the capacity of each cell is reached, the cell would be closed.

- **Environmental Impact Assessments**

  Funding of $250,000 is provided in each of 2006 and 2007. A new landfill has to be approved by Saskatchewan Environment. The landfill expansion project may be required to go through their full Environmental Assessment process. The Environmental Impact Assessment from project proposal to Minister's Decision could require three to five years. The length of time could be more or less depending on the type and number of environmental studies necessary in order to identify and assess the potential environmental effects of the project.

  An important component of an Environmental Impact Assessment is public participation. The public will be involved early in the project in order to identify the issues that should be addressed in the impact assessment. Documentation of concerns arising out of public consultations is part of the Environmental Impact Assessment.

  It is expected that any application for a new and/or expansion of the landfill site will have to include consideration of options for reducing the tonnage of solid waste that is disposed of at the landfill in future years.

  Potential environmental impacts, both biophysical and socio-economic effects, will have to be identified and assessed. The assessment of such impacts can be completed with existing information for some of the impacts and a design developed to fully protect the environment and aquifer system at the site. Other impacts will require more detailed studies in order to assess the environmental impact. The issues that have been identified to date include:

- Loss of natural vegetation
- Loss of rare/endangered flora or fauna or habitats
- Disturbance to wildlife species and habitats
- Effects of soil erosion
- Potential disturbance to surface water drainage patterns
- Surface water contamination/monitoring
- Groundwater contamination/monitoring
- Air quality/odours
- Disturbance to heritage resources
- Aesthetics
- Greenhouse gas emissions management
- Opportunities for minimizing landfill disposal

- **Landfill Design and Cell Construction**

  Conceptual/preliminary design work for a new landfill will be necessary during the Environmental Impact Assessment process for preparation of the Environmental Impact Statement. Detailed design would likely not be required until the project is approved. $775,000 is allocated in 2008 for engineering design and $5,000,000 in 2009 for the first phase of new landfill cell development.

Waste Collection

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Replace/refurbish rear lane waste containers	**730**	730	730	450	-
2. Implement automated garbage collection to all front	**600**	600	-	900	-
	1,330	1,330	730	1,350	-
Capital Funding					
Current Contributions to Capital	**1,330**	1,330	730	1,350	-

Rear Lane Waste Containers – Funding is for the containers used in commercial and residential rear lane collection. There are 6,800 containers serving 28,500 homes with automated rear lane service. The containers are more than 15 years old and must be repaired or replaced. The 2006 – 2010 Capital Program continues funding for the replacement of the containers. The average cost to replace each container (including all program costs) is $800 per unit, an increase of 9% due to the increased cost of steel. It is projected that about 700 to 1,000 units will be replaced each year from 2006 to 2008, with 400 containers in 2009.

Automated Front Street Service – Funding is for replacement of existing containers and the purchase of additional containers for the new residential automated front street collection process. There are 4,000 existing homes with worn out containers requiring replacement and 25,000 homes on manual collection that do not have containers. The average cost to replace each container (including all program costs) is $70 per unit. This change will be implemented in three stages over five years.

Other Capital Projects

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Asphalt Production & Field Services					
- Replace the dryer's burners and flights	**180**	-	-	-	-
- Asphalt pavement analyzer	**-**	-	200	-	-
- Component Upgrade	**-**	-	-	100	-
- Replace the scale decks	**125**	-	-	-	-
- Granular Material - Dust Control	**-**	-	-	50	-
- Granular Material - Salt Management	**-**	-	-	100	-
2. Buildings and Yards					
- General allocation	**150**	150	150	150	150
3. Vehicles:					
- Purchase new van	**20**	-	-	-	-
- Purchase new bucket truck	**-**	155	-	-	-
- Convert and upgrade trucks and van	**-**	35	-	-	-
Total Expenditures	**475**	340	350	400	150
Capital Funding					
Current Contributions to Capital	**295**	340	150	300	359
Asphalt Plant Reserve	**180**	-	200	100	-
Total Funding	**475**	340	350	400	150

Asphalt Production and Field Services

The asphalt plant produces asphalt to meet the City's needs for pothole patching, asphalt recapping, and the construction and reconstruction of roads. The charge for asphalt includes funding for the capital requirements and maintenance costs of the asphalt plant. The reserve is funded through a $5.00 per tonne charge on the asphalt produced. The charge includes $2.50 per tonne for funding of capital requirements and $2.50 per tonne for maintenance costs. Capital projects include:

- Replace the dryer burners and flights for $180,000 - This would enhance energy efficiency and productivity and provide for a quieter operation.

- Purchase of an Asphalt Pavement Analyzer for $200,000 for testing asphalt mixes prior to application. This equipment provides better correlation of tests with future performance of the pavement in terms of rutting and fatigue resistance, as compared with the currently used test methods.

- Component Upgrade for $100,000 – This is a general allocation for upgrading major components of the Asphalt Plant such as pugmill, screen deck, conveyors and dryer weight scales. The components selected for replacement or upgrade will be based on a cost/benefit analysis.

Other capital projects include:

- Replace Scale Desks for $125,000 – The decks are subject to rust as a result of the salty environment and should be replaced to ensure proper safety.

- Granular Material Dust Control for $50,000 – This project may include paving internal roads, installation of screen type, high walls in some sections of the yard perimeter and/installation of hydrants/sprinklers. This project is to fully comply with The Clean Air Act. More detail will be available prior to the start of the project after further analysis.

- Granular Material Salt Management for $100,000 – This project may include paving an area where salt mixtures are stockpiled, capturing runoffs to remove salt prior to the water entering the sewer system and constructing a building for storing sand/salt. This project must comply with new Federal Environmental regulations. More detail will be available prior to the start of the project after further analysis.

Buildings and Yards

The Engineering and Works Department's main operations area is between Albert Street and Smith Street from 4th Avenue to 6th Avenue. The site includes:

- Administration Building that includes administrative offices and the dispatch office
- Water Distribution Workshop Building
- Traffic Building
- Roadways Building
- Sewage Collection Building
- Equipment Storage Buildings

In 2005 a study was undertaken to identify the maintenance requirements of the Engineering and Works Yard buildings for the period from 2006 to 2016. The general allocation is based on the historical annual allocation, and falls short of the required funding based on the requirements identified in the study.

Vehicles

In 2006, $35,000 ($20,000 in the General Capital Program) is provided to purchase a new van and retrofitting for survey equipment storage for the Development and Technical Services Division Geomatics (Survey) Section. The van will be used to transport survey crews and equipment to job sites. The cost of this van is split 60/40 between the general and utility budgets.

The capital program includes funding of $190,000 in 2007 for the following projects:

- $155,000 for a new bucket truck for the Traffic Operations Section. A new bucket truck is required to facilitate new and increased tasks in the section. Responsibilities have changed due to the substantial increase in the number of overhead devices for traffic signals. In 2005, the City will have approximately 50 cameras, 70 fire pre-emption devices and 80 to 100 vehicle detection devices all mounted between 5 to 12 metres above the ground. All these devices require regular maintenance. The new bucket truck will be capable of reaching devices mounted 12 metres in the air. In the past, the City has relied on private crane rental firms to access these devices.

- $35,000 for converting and upgrading vehicles to transport Traffic Operations material and equipment to various work sites.

Community Services Department

Capital Program Summary

	2006	2007	2008	2009	2010	Five Year Total
Capital Expenditures ($000's)						
Recreation Facilities						
Sportplex	**995**	45	220	500	965	2,725
North West Leisure Centre	**30**	-	110	300	100	540
Sandra Schmirler Leisure Centre	**20**	80	75	10	100	285
Neil Balkwill Civic Arts Centre	**-**	-	-	20	-	20
Arenas	**30**	345	355	440	890	2,060
Community Facilities & Outdoor Pools	**775**	375	315	210	90	1,765
Outdoor Athletic Surfaces and Facilities	**490**	940	575	995	1,080	4,080
Open Space	**1,660**	1,190	2,105	1,985	1,570	8,510
Streetscape	**250**	235	305	235	210	1,235
Cemeteries	**95**	20	35	80	35	265
Golf Courses	**150**	200	175	230	210	965
Other Capital Projects	**865**	905	835	780	675	4,060
Total Expenditures	**5,360**	4,335	5,105	5,785	5,925	26,510
Capital Funding ($000's)						
Current Contributions to Capital	**3,120**	2,545	3,767	4,714	5,050	19,196
General Fund Reserve	**300**	650	650	-	-	1,600
Parks & Recreation Development Charges	**860**	405	463	746	615	3,089
Cemetery Reserve	**95**	20	35	80	35	265
Golf Course Reserve	**150**	200	175	230	210	965
Community Share 2006 Program	**775**	500	-	-	-	1,275
Other External Contributions	**60**	15	15	15	15	120
Total Funding	**5,360**	4,335	5,105	5,785	5,925	26,510

Recreation Facilities

Sportplex

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Fieldhouse:					
- Replace cell flooring	**950**	-	-	-	-
- Infrared showers	**20**	-	-	-	-
- Replace carpet in change rooms	**15**	-	-	-	-
- Bleacher mover	**10**	-	-	-	-
- Equipment storage - re-configure dividers	-	30	-	-	-
- Design of an acoustic baffle system	-	-	15	-	-
- Roof replacement	-	-	-	-	420
- Cafeteria furniture	-	-	-	-	25
2. Lawson Pool:					
- Replace two diving boards	-	15	15	-	-
- Guardroom/classroom ventilation upgrade	-	-	150	-	-
- Replace change room partitions	-	-	30	-	-
- Main pump	-	-	10	-	-
- Replace roof	-	-	-	400	-
- Strength and conditioning area air conditioning upgrade	-	-	-	80	-
- On-deck steam room and sauna	-	-	-	10	200
- Design storage building	-	-	-	10	200
- Boiler replacement	-	-	-	-	70
- Paint pool basin	-	-	-	-	50
Total Expenditures	**995**	45	220	500	965
Capital Funding					
Current Contributions to Capital	**995**	45	220	500	965

The Sportplex is comprised of the Lawson Aquatic Centre, a legacy of the 1975 Western Canada Summer Games and the Regina Fieldhouse, a legacy of the 1987 Western Canada Summer Games.

The Lawson Aquatic Centre is utilized extensively for recreational swimming and lessons as well as competitive swimming, diving, water polo and synchronized swimming. It was one of the venues for the 2005 Canada Games. The Lawson Aquatic Centre's amenities include:

- 65 metre pool with eight lanes ranging in depth from 3' to 16'.
- Whirl pool.
- Men's and women's dry saunas.
- One and three metre diving boards.
- 5, 7½ and 10 metre diving towers.
- Classroom.
- Tot pool.
- Strength and conditioning area.
- Outdoor sun area.
- Special needs/family change room.

The Fieldhouse is utilized extensively for recreational fitness and general recreation as well as training of high performance sport groups, including tennis, track and field and team handball. The Fieldhouse amenities include:

- 200 metre oval track with six lanes.
- Four badminton courts.
- Two classrooms.
- Tracks Café.
- Four tennis courts.
- Wheelchair accessible weight equipment.
- Sportco Pro Shop.

North West Leisure Centre

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. North West Leisure Centre:					
- Replace roof top units	30	-	-	-	-
- Change room walls	-	-	100	-	-
- Blind replacement	-	-	10	-	-
- Repair of the retaining walls	-	-	-	300	-
- Roof upgrade	-	-	-	-	100
Total Expenditures	30	-	110	300	100
Capital Funding					
Current Contributions to Capital	30	-	110	300	100

The North West Leisure Centre opened in 1982 as the City of Regina's first indoor pool with a leisure and family oriented theme. The centre's amenities include:

- Leisure pool ranging in depth from 8" to 5'.
- Co-ed dry sauna.
- Multi-purpose hall.
- Outdoor sun area.
- Meeting rooms.
- Pool slide and sunflower water structure.
- Whirl pool.
- Snack bar.
- Doug Wickenheiser Arena.
- Strength and conditioning area.
- Special needs/family change room.

Sandra Schmirler Leisure Centre

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Sandra Schmirler Leisure Centre:					
- Replace humidifier	20	-	-	-	-
- Replace lockers	-	80	-	-	85
- Improve customer service area	-	-	75	-	-
- Advertising board signage	-	-	-	10	-
- Upgrade entrance doors to reduce drafts	-	-	-	-	15
Total Expenditures	20	80	75	10	100
Capital Funding					
Current Contributions to Capital	20	80	75	10	100

The Sandra Schmirler Leisure Centre opened in 1990 with an indoor leisure and family oriented pool and is in the same building as a Public Library. The Sunrise Library includes a multi-purpose room, which is often used for recreation programs. The centre's amenities include:

- Leisure pool ranging in depth from 18" to 10', with a one metre diving board, pool slides and an umbrella tree.
- Whirl pool and tot pool with spray bar.
- Snack bar.
- Strength and conditioning area.
- Outdoor sun area.
- Co-ed dry sauna.
- Special needs/family change rooms.

Neil Balkwill Civic Arts Centre

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Neil Balkwill Arts Centre: (Major Rec Facility)					
- Fire alarm upgrade	-	-	-	20	-
Total Expenditures	-	-	-	20	-
Capital Funding					
Current Contributions to Capital	-	-	-	20	-

The Centre provides specialized studios, classrooms and meeting rooms. The Centre also houses the Rosemont Art Gallery.

Arenas

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Arenas:					
- General Allocation	-	160	150	170	180
- Replace Chiller	30	-	-	-	-
- Safety shields	-	45	45	45	45
- Furnace replacement	-	15	15	15	15
- Condenser replacement	-	125	40	-	-
- Heated bleacher areas	-	-	45	15	-
- Arena lighting	-	-	40	40	40
- Chain link rink door gates and fencing	-	-	20	-	15
- Boards replacement	-	-	-	60	-
- Al Ritchie - Dehumidifier	-	-	-	-	150
- Balfour - Roof upgrade	-	-	-	75	-
- Balfour - Asphalt upgrade	-	-	-	-	25
- Kinsmen - Suspended ceiling	-	-	-	10	-
- Mahon - Roof replacement	-	-	-	-	200
- Optimist - Suspended ceiling	-	-	-	10	-
- Staples - Roof replacement	-	-	-	-	200
- Beam repaint	-	-	-	-	15
- Indoor air quality equipment	-	-	-	-	5
Total Expenditures	30	345	355	440	890
Capital Funding					
Current Contributions to Capital	30	345	355	440	890

The City has eight indoor arenas. The arenas accommodate public recreational skating, figure skating, ringette, short track speed skating, minor hockey and adult hockey. The arenas are:

- Al Ritchie
- Murray Balfour
- Clarence Mahon
- Jack W. Staples
- Jack Hamilton
- Kinsmen
- Optimist
- Doug Wickenheiser (attached to the North West Leisure Centre).

Facility condition and lifecycle audits have been completed. The facility audits determined that the total replacement cost for the eight indoor arenas was approximately $31.5 million. The total deferred maintenance for the indoor arenas is approximately $3.0 million not including parking lot repairs. Funding of $600,000 per year over the next five years was recommended for deferred maintenance. The funding allocated is less than the recommended allocation.

Community Facilities and Outdoor Pools

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Neighbourhood and Community Centres:					
- General centre improvements	**10**	10	10	10	10
- Argyle Park Community Centre - roof replacement	**40**	-	-	-	-
- Glencairn - storm water drainage	**-**	85	-	-	-
- Glencairn - replace gymnasium floor	**-**	25	-	-	-
- Glencairn - replace the gym ventilation unit	**-**	-	50	-	-
- Glencairn - kitchen renovation	**-**	-	-	-	15
- Cathedral - furnace replacement	**-**	20	-	-	-
- Cathedral - construction of heated storage area	**-**	-	35	-	-
- Albert Scott - repairs to the roof	**-**	-	40	-	-
- Eastview - vent crawlspace, replace roof top unit, re-grade site	**-**	-	-	50	-
- South Leisure Centre - upgrades	**-**	-	-	-	40
- South Leisure Centre - greening of courtyard	**-**	-	-	-	10
- Core Ritchie - carpet replacement	**-**	-	-	-	15
2. Outdoor Pools					
- General allocation	**710**	175	150	150	-
- Replace diving boards	**15**	-	-	-	-
3. Senior Citizens Centres:	**-**				
- Elphinstone Senior Citizens' Centre - construct an enlarged entry to address accessibility	**-**	60	-	-	-
- Regina Senior Citizens' Centre - Winnipeg Street - replace drapery, sound panels and stain/paint facility	**-**	-	30	-	-
Total Expenditures	**775**	375	315	210	90
Capital Funding					
Current Contributions to Capital	**100**	375	315	210	90
Community Share 2006 Program	**675**	-	-	-	-
Total Funding	**775**	375	315	210	90

Neighbourhood and Community Recreation Centres – The City of Regina owns 11 neighbourhood and community centres. Five of the centres are managed and operated by volunteer operating committees, and the City operates six centres.

Outdoor Pools – The City has five outdoor pools. Three of the pools were constructed in 1947 (Maple Leaf, Dewdney and Wascana), one in 1963 (Regent) and one in 1964 (Massey). In addition, the City has thirteen spray pads. The following chart provides additional information on the pools.

Details	Maple Leaf and Dewdney	Wascana	Massey and Regent
Size	49' x 75'	142' x 75'	120' x 75'
Depth	3' to 10'	2.5' to 10'	1' to 9'
One-Metre Board	Yes	Yes	Yes
Two-Metre Board	Yes	Yes	No
Slide	No	Yes	Yes

Facility condition and lifecycle audits have been completed. The total replacement cost for the five outdoor pools is approximately $6.2 million. The facility audits identified total deferred maintenance of approximately $2.8 million for the five pools, not including parking lot repair. The Facility Condition Index (ratio of deferred maintenance to the replacement cost) is greater than 0.5 for three of the five pools, Dewdney, Maple Leaf and Wascana. $675,000 has been allocated from the Community Share 2006 Program funding from the Provincial Government as an initial allocation toward addressing the condition of the outdoor pools, with first priority to North Central Regina's Dewdney and Regent Pools, in conjunction with the new Urban Development Agreement and the Inner-City Partnership.

Senior Citizens Centres – The City has two senior citizens centres, the Regina Senior Citizens' Centre on Winnipeg Street and the Elphinstone Senior Citizens' Centre in Les Sherman Park.

Outdoor Athletic Surfaces and Facilities

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Athletic Fields:					
- Athletic field partnerships	-	100	100	350	310
- Athletic field restoration	80	90	70	90	110
- Athletic field amenities	50	40	35	40	55
- Douglas Park facility upgrade	-	-	-	300	-
- Douglas Park storage facility	-	-	-	-	300
- Install outfield fence at Kaplan Field	-	-	40	-	-
- Mount Pleasant signage	-	-	-	20	-
2. Taylor Field:					
- Turf Replacement	100	500	-	-	-
- Relocate camera platforms	90	-	-	-	-
- Install mesh netting for pigeon control	60	-	-	-	-
- Sandblast and repaint structural steel	-	100	-	100	-
- Replace sections 15-20 with new seating	-	-	200	-	-
- Pave the concourse under the east side stands	-	-	50	-	-
- Caulking east side stands	-	-	20	20	10
- Paint east side stands ceiling	-	-	-	20	-
- Replace sections 11-14 with new seating	-	-	-	-	150
- Relevel stadium fence	-	-	-	-	60
- Parking lot relevelling	-	-	-	-	25
3. Outdoor Rinks & Tennis Courts					
- Outdoor Ice - Water Service Upgrade	10	10	10	5	10
- Refurbish outdoor rink shelters	-	50	-	50	-
- Tennis Courts	-	50	50	-	50
4. Skateboard Facility	100	-	-	-	-
Total Expenditures	490	940	575	995	1,080
Capital Funding					
Current Contributions to Capital	295	440	575	995	1,050
Parks & Recreation Development Charges	50	-	-	-	30
Other External Contributions	45	-	-	-	-
Community Share 2006 Program	100	500	-	-	-
Total Funding	490	940	575	995	1,080

The Athletic Field Study, completed in 1996, organized athletic fields into formal groupings called classes on the basis of use, features and location. The Athletic Field Study provides principles, guidelines, standards and policies to guide development and management of Regina's athletic surfaces. To facilitate

the athletic field development and upgrading process, the system includes criteria for prioritizing capital projects. The Athletic Field Study also identifies those facilities that could be enhanced through partnerships with non-profit community groups. Partnership projects can be initiated either by the City or by an interested community group.

Capital expenditures for athletic fields involve the restoration, upgrading, conversion, and/or development of athletic fields. Restoration restores deteriorated field facilities and support equipment to the original condition; upgrading improves an existing field facility; conversion changes the intended use of a facility; and development creates new field facilities.

The total number of athletic fields and ball diamonds is 273 sites.

Inventory of Ball Diamonds and Athletic Fields

Class	1	2A	2B	3A	3B	4	Total
Baseball	2	1	0	48	0	0	51
Softball/Slo-Pitch	1	1	0	104	0	22	128
Athletic Fields	1	18	23	10	12	30	94
							273

Some of the fields are located at the major sport parks/facilities, including:

- **Taylor Field** – This Class 1 field, is the home of the Saskatchewan Roughriders and is also home to the University of Regina Rams, Prairie Thunder, high school football and adult league football. Taylor Field includes the Saskatchewan Roughriders offices, parking lots, the artificial field and an adjacent fine turf practice field. Capital improvements for Taylor Field are being developed jointly with the Saskatchewan Roughriders. The Taylor Field/Saskatchewan Roughriders lease agreement was renewed in 2005 and included a provision to develop a plan prior to December 31, 2007 to replace the existing artificial turf in Taylor Field. Funding of $100,000 in 2006 and $500,000 in 2007 from the Community Share 2006 Program from the Province has been included in the budget. Planning and design is scheduled for 2006 with the installation in 2007. The funding provides for the City's contribution as the Saskatchewan Roughriders have agreed to cost share the project.

- **Douglas Park** – This park includes the Canada Games Athletic Complex featuring a newly resurfaced synthetic track; four fastball diamonds (Class 2A); two athletic fields (Class 2A); a bantam baseball diamond (Class 2A); a cricket pitch; winterized change and washroom facilities and five tennis courts.

- **Mount Pleasant Sport Park** – This park features two soccer pitches one practice football field (Scotty Livingstone); one baseball diamond (Currie Field); one fastball diamond (Kaplan Field); and the outdoor speed skating oval. These facilities, with the exception of the slo-pitch diamond, are considered to be municipal level athletic facilities.

- **Leslie Lawn Bowling Greens** – This facility, located at Victoria Avenue and Queen Street, features four full size and one-half size lawn bowling greens. The facility is the home of the Regina Lawn Bowling Club. The Club has agreed to assume some landscape maintenance responsibilities at the facility including flowerbeds and the areas adjacent to the bowling greens.

Other outdoor athletic surfaces or facilities include:

- **Outdoor Rinks** – There are 68 outdoor ice surfaces at 48 locations throughout the City. The ice surfaces include 23 boarded surfaces, 42 pleasure skating surfaces, 2 pleasure skating lake sites and the speed skating oval at Mount Pleasant Sport Park. The speed skating oval is a 400 metre, lighted track. Capital funding for outdoor rinks is used to refurbish rink facilities, upgrade lighting and water services and make energy improvements.

- **Tennis Courts** – There are 57 tennis courts located at 25 sites throughout the City. Douglas Park and A. E. Wilson Park have five and four courts, respectively. Three sites have three courts and all other sites have two courts. Capital funding is to re-surface outdoor tennis courts to the standards established by Tennis Saskatchewan. The proposed allocation accommodates repairs to two sites for each year that funding is provided.

- **Skateboard Facilities** – A skateboard facility was built in 2001 in the Lakeridge Sports Park. Planning, design and construction of a second facility will occur in 2006, with funding from 2005 and 2006.

Open Space

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Multi-Use Pathway System:					
- North West Link - A.E. Wilson Park to Westhill	-	-	300	-	40
- Hansen Dr. Park to the North Storm Channel Multi-Use Pathway	-	-	150	150	-
- South Storm Channel - design	30	-	-	-	-
- South Storm Channel - Pasqua Street Les Sherman Park to Kings Park Road	-	200	-	-	-
- South Storm Channel - Garner Avenue to 25th Avenue	-	-	-	200	250
- Wascana Lake Crossing at Broad Street	-	-	-	-	120
2. Open Space Development & Restoration:					
- Open space restoration	315	320	320	325	325
- Neighbourhood park upgrades	175	40	485	410	-
- Lakeridge Sports Park - master plan completion	500	-	-	-	-
- CPTED improvements	20	-	20	-	20
- A.E. Wilson Park Mallard Way tree planting	15	-	-	-	-
- Stewart Russell	-	50	50	-	-
- Bridges	-	10	-	-	10
- Prairie Island interpretive station	-	-	75	-	-
- Restoration of water component features	-	-	25	-	-
- Kiwanis Waterfall Park	-	-	-	125	100
- AE Wilson Park access road to waters edge	-	-	-	60	-
- Kinsmen Park South	-	-	-	35	-
- Off-leash dog park	-	-	-	-	25
3. Wascana Creek Riverside Reach Rehabilitation	-	-	150	-	-
4. Outdoor Play Amenities	210	175	175	280	280
5. Irrigation System Improvements:					
- Water service restoration/decommission	180	180	160	180	180
- Restoration/replacement of components	75	75	75	75	100
- Irrigation system upgrades	60	60	70	70	70
- Pump equipment upgrades	50	50	50	75	50
- College Avenue irrigation (Albert Street to Broad Street	30	30	-	-	-
Total Expenditures	1,660	1,190	2,105	1,985	1,570
Capital Funding					
Current Contributions to Capital	1,020	940	1,867	1,424	1,150
Parks & Recreation Development Charges	640	250	238	561	420
Total Funding	1,660	1,190	2,105	1,985	1,570

The City manages diverse open spaces with various levels of development and use. The open spaces range from high quality, high use parcels such as Kiwanis Park and Victoria Park to minimally developed open spaces such as utility parcels, pipeline rights-of-way and storm channel fringes.

The Open Space Management Strategy provides direction on the allocation of resources to develop and upgrade open spaces. The development of new open space and the upgrading of existing open space have an impact on operating costs. Operating costs for maintaining open space range from approximately $430 per acre for easements and buffers to $6,300 per acre for irrigated parks containing trees, shrubs, park furniture and a variety of other amenities. Included in the operating budget is a provision to cover additional expenses for maintenance of new and upgraded open space.

The capital program provides funding for the following types of open space projects:

- Open space restoration returns a deteriorated open space amenity to its original condition. Restoration activities include major turf repair, furniture/fixture replacements, pathway asphalt aggregate surface repairs, renovation and replanting of trees and shrub beds and drainage improvements. Open space upgrading involves improving existing open space amenities. Open space development is the creation of new open space.

- Improvements resulting from Crime Prevention Through Environmental Design (CPTED) evaluations. CPTED evaluations are conducted when residents raise concerns from safety and/or program perspectives. The capital program provides for the modification and renovation of existing facilities to assure compliance with current code and safety requirements and to accommodate new and expanded program offerings or enhanced service levels. Lighting of open spaces may be one of the solutions to enhancing user safety and security, discouraging undesirable activity and providing for maximum usage of recreation opportunities. The Open Space Lighting Policy and Procedures serves as a guide to determine when and where lighting is required in the development or upgrading of open space.

- Pedestrian bridge repairs and upgrades. This includes repairs to decking and rails, painting and in some cases replacing asphalt and concrete. There are 30 pedestrian footbridges in the city.

- Outdoor play amenities – This provides for the repair and modification of existing play apparatus to adhere to the Canadian Standards Association Guidelines for Children's Playspaces; an annual commitment to enhance retaining borders and/or resilient surfaces under the equipment; establishing fully accessible play structures at key geographic locations within the city; and installing new or emerging outdoor play amenities within neighbourhoods to meet needs and trends.

- There are approximately 912 acres of irrigated open space located throughout the city. The inventory of irrigation systems managed consists of 1,191 water services, 29 pump stations, 27,000 sprinklers, 4,500 valves, 905 km of pipe and 796 km of wiring. Projects typically involve lifecycle replacement of coupler valves, sprinklers, automated valves, valve boxes, water lines, water service boxes, pump stations, computer system software and hardware and the decommissioning and abandonment of water service boxes.

Streetscape

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Streetscape Development:					
- Tree planting at city gateways, major arterials and intersections	**170**	170	170	210	185
- Prince of Wales streetscaping	**15**	-	70	-	-
- Tree planting in new subdivisions	**25**	25	25	25	25
- Tree Replacements and watering	**40**	40	40	-	-
Total Expenditures	**250**	235	305	235	210
Capital Funding					
Current Contributions to Capital	**80**	80	80	50	45
Parks & Recreation Development Charges	**170**	155	225	185	165
Total Funding	**250**	235	305	235	210

The Regina Urban Forest Management Strategy is the primary planning tool for determining the allocation of resources to tree planting and streetscape projects. Streetscape capital projects provide for the design and installation of landscaping along major roadways such as the entrances to the city and ceremonial routes. Landscape development plans for these projects typically include trees, shrubs, grass, flowerbeds, hard-surface landscaping, irrigation, furnishings and other amenities. The capital program also provides for the supply and planting of trees on the boulevard in front of residential lots in newly developed subdivisions. Capital funding includes a provision to replace trees or shrubs that do not survive in the first year of planting and for watering the plant material for the first three years. Long-term tree management costs are reflected within the operating budget. For subdivision plantings, responsibility for watering new plantings is assumed by the adjacent homeowner. Long-term tree management costs such as pruning and pest control are the responsibility of the City. There is sufficient capacity within current operating budgets to provide for proper care of the additional plantings.

Cemeteries

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Cemetery Improvements and Repairs:					
- Repair asphalt at the two cemeteries	**10**	10	10	10	10
- Installation of strip foundations for headstones	**10**	10	10	10	10
- Irrigation upgrading at the Riverside Cemetery	**25**	-	15	-	15
- Columbariums at Riverside Cemetery	**50**	-	-	60	-
Total Expenditures	**95**	20	35	80	35
Capital Funding					
Cemetery Reserve	**95**	20	35	80	35

The City owns and operates the Riverside Memorial Park Cemetery and the Regina Cemetery. The City has operated a cemetery since 1883 when the Regina Cemetery commenced operation. The Riverside Memorial Park Cemetery was opened in 1953. The cemeteries provide a complete range of interment options, including in-ground interments for traditional and cremated remains and columbaria niches for cremated remains. In 1995, a crematorium was constructed at the Regina Cemetery.

The municipal cemeteries operate on a cost recovery basis. Fees and charges are established to offset annual operating costs, as well as the capital needs of the cemeteries. The Cemetery Management Strategy, approved by City Council in 1996, and the 2004 – 2006 Cemetery Financial Plan serve as the primary planning tools in managing the cemeteries operation.

Golf Courses

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. General Golf Course Projects:					
- Murray/Tor Hill water quality upgrade	**100**	-	-	-	-
- Facility conservation at clubhouse buildings	-	25	25	25	25
- New equipment	-	5	-	10	-
- Kings Park - resurface internal road	-	5	-	10	-
- Kings Park - security	-	-	10	-	-
- Removal, replacement and planting of new trees	-	-	10	10	-
- Green covers	-	-	-	20	20
2. Murray Golf Course:					
- Course renovations and improvements	**10**	20	30	30	30
- Replace and restore irrigation system	-	100	50	50	90
3. Tor Hill Golf Course:					
- Course renovations and improvements	**10**	10	10	15	15
- Well Development - install a hardware communication link to the pump station	-	-	10	-	-
- Replace and restore irrigation system	-	-	-	10	-
4. Joanne Goulet Golf Course:					
- Replace and restore irrigation system	**10**	20	-	30	30
- Shoreline stabilization	**10**	-	20	-	-
- Course Alterations	**10**	-	-	-	-
- Course renovations and improvements	-	5	10	10	-
- Compound and security improvements	-	10	-	-	-
5. Lakeview Par 3 Golf Course:					
- Course renovations and improvements	-	-	-	10	-
Total Expenditures	**150**	200	175	230	210
Capital Funding					
Golf Course Reserve	**150**	200	175	230	210

The City of Regina owns five golf courses. Four of the courses are maintained by the City, with the Craig Golf Course operated by a private company under agreement with the City. Western Golf Management Ltd. provides the clubhouse and pro-shop services for four of the Municipal golf courses. In December 1999, City Council approved the Golf Course Management and Financial Plan for the municipal golf courses (excluding the Craig). The plan established the capital development strategy for golf courses in the context of course revenues. This capital program reflects the capital development strategy adopted by City Council.

- **Murray Golf Course** – The Murray Golf Course is a mature, fully developed championship golf course located in King's Park northeast of the city. The course layout plays at 6,762 yards and features large greens. The course also includes a driving range, practice chipping green and practice putting green area. The course has a full service clubhouse and pro-shop.

- **Tor Hill Golf Course** – The Tor Hill Golf Course is a mature, fully developed championship golf course located in King's Park northeast of the city. The course layout is 9,337 yards for the 27 holes. The course also includes a driving range, a practice chipping green and a practice putting green. The course has a full service clubhouse and pro-shop. An additional nine holes were developed at Tor Hill and opened for play in April 2003. The addition of the nine holes provides golfers with three different 18 hole opportunities.

- **Joanne Goulet Golf Course** – The Joanne Goulet Golf Course is an 18-hole executive length course located in the northwest portion of the city. The course layout follows the Wascana Creek, and plays at 4,944 yards. The course includes a driving range, practice chipping green and a practice putting green area and is complemented by a full service clubhouse and pro-shop. The first nine holes were constructed in 1988 with the nine additional holes completed in 1995.

- **Lakeview Par 3 Golf Course** – The Lakeview course is an 18-hole, par three course located on Kings Road in southwest Regina. The course was constructed in the early 1960s. The course has a small concession, pro-shop, and a putting and chipping area.

Other Capital Projects

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Urban Development Agreement	**500**	500	500	500	500
2. Program Equipment and Furnishings	**175**	175	150	175	175
3. Globe Theatre renovations	**100**	100	100	-	-
4. University of Regina artificial grass field	**50**	50	50	50	-
5. Fleet Acquisitions:					
- Open Space - Turf Truck	**15**	-	-	-	-
- Open Space - One Ton Dump Truck for landscape trades	**-**	45	-	-	-
- Athletic Fields - All Terrain Vehicle and Trailer	**-**	-	20	-	-
- Open Space - Two Rotary Mowers	**-**	-	-	55	-
6. Operational Facilities:					
- Kiwanis Park irrigation pump house	**25**	-	-	-	-
- Repair Manor Road storage building - remove section that is falling away from the building	**-**	35	-	-	-
- 13th Avenue & Lewvan maintenance depot - convert two single doors to one large door	**-**	-	15	-	-
Total Expenditures	**865**	905	835	780	675
Capital Funding					
Current Contributions to Capital	**550**	240	170	765	660
General Fund Reserve	**300**	650	650	-	-
External Funding	**15**	15	15	15	15
Total Funding	**865**	905	835	780	675

Other capital projects include:

- **Urban Development Agreement** – The City, Province and Federal Government have entered into an Urban Development Agreement that provides $10 million over five years, with $2.5 million in funding from each of the City and the Province, and $5 million from the Federal Government. The allocation of the funding to specific projects or initiatives has not been determined.

- **Program Equipment and Furnishings** – City-owned recreation facilities require a variety of furnishings and equipment for program operations. The furniture and equipment are subject to wear and breakdown and require regular maintenance and periodic replacement. This allocation provides for the annual planned replacement of program furniture and equipment for the recreation facilities and for the purchase of new program equipment, including fitness equipment, required to meet increasing program demand.

- **Globe Theatre Renovations** – The Globe Theatre is planning a facility expansion and increased public programming at a total cost of $2.4 million. The City's contribution of $400,000 ($100,000 per year for four years from 2005 to 2008) is in recognition of the role of the Theatre in the revitalization of Regina's downtown and the quality of life for Regina citizens.

- **University of Regina Artificial Grass Field** – The University of Regina constructed Phase I of an artificial grass athletic field in 2004 at a total cost of $2.5 million. The City's contribution of $250,000 ($50,000 per year for five years from 2005 to 2009) is in recognition of the value to the community for this facility and in exchange for a minimum level of community access to the facility for at least ten years as outlined in an agreement.

Corporate Services Department

Capital Program Summary

	2006	2007	2008	2009	2010	Five Year Total
Capital Expenditures ($000's)						
Fleet	**4,808**	4,696	4,662	4,628	4,605	23,399
Facilities	**2,400**	2,730	1,913	2,451	2,935	12,429
Land Development	**430**	-	-	-	-	430
Information Technology	**1,535**	1,350	1,300	1,300	1,300	6,785
Total Expenditures	**9,173**	8,776	7,875	8,379	8,840	43,043
Capital Funding ($000's)						
Current Contributions to Capital	**3,200**	4,030	2,613	3,751	4,235	17,829
General Fund Reserve	**430**	-	-	-	-	430
Employer Provided Parking Reserve	**-**	-	600	-	-	600
Technology Reserve	**235**	50	-	-	-	285
Equipment Replacement Reserve	**4,808**	4,696	4,662	4,628	4,605	23,399
Community Share 2006 Program	**500**	-	-	-	-	500
Total Funding	**9,173**	8,776	7,875	8,379	8,840	43,043

Fleet Services

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Equipment Replacement	**4,808**	4,696	4,662	4,628	4,605
Capital Funding					
Equipment Replacement Reserve	**4,808**	4,696	4,662	4,628	4,605

The Fleet Services Division of the Corporate Services Department manages all City vehicles and equipment, excluding those used by the Transit and Fire Departments and the Regina Police Service. At the end of 2005, the fleet consisted of 946 vehicles and pieces of equipment. This represents a fleet reduction of five units in the last year. **Since 1998 the fleet has been reduced by 243 units or 20%.**

The Fleet Services Division is also responsible for the management and operation of the Small Tools and Equipment program, which includes 659 powered hand tools. **The program has also seen a significant reduction to the equipment inventory from the 1998 level of 995 tools.**

Fleet Distribution and Composition

Fleet Distribution

Department	Fleet Size
Engineering and Works	443
Community Services	359
Corporate Services	75
Motor Pool	63
Finance	5
Human Resources	1
Fleet Total	946

These figures include 19 units replaced in 2005 that were retained on a temporary basis to address operational requirements. Long-term retention of these units is subject to approval by the Fleet Utilization Review Committee.

The categories of vehicles or equipment are:

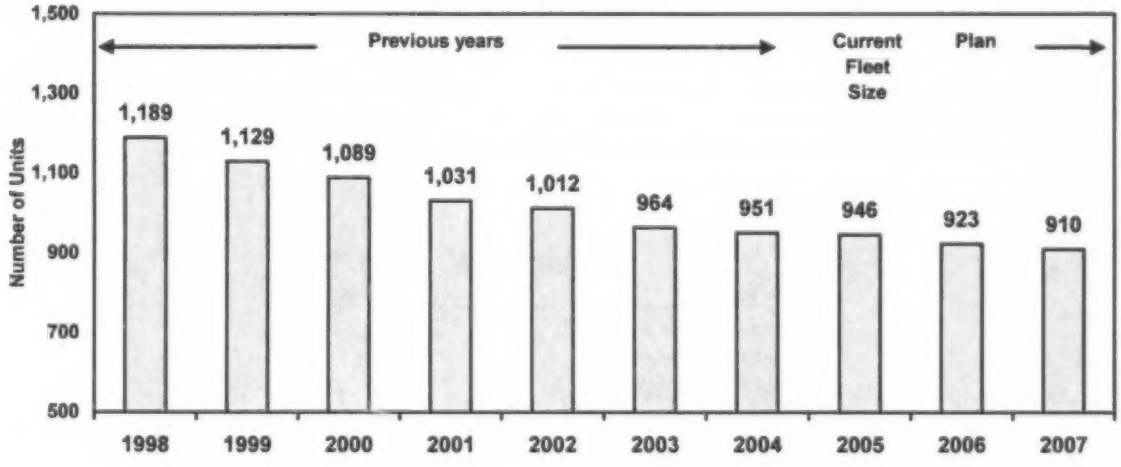
- **Light truck** refers to all trucks up to one-ton rating. Included are full size pickups and vans, downsize pickups and vans, crewcab pickups, and allied equipment such as aerial lifts and service bodies.
- **Heavy truck** refers to all trucks greater in size than a one-ton truck. These will include three-ton, five-ton, seven-ton and semi-tractor-trailer combinations, as well as any allied equipment mounted to the chassis. Examples of allied equipment are garbage packers, sewer jets, sanders, port-a-patchers and aerial lifts.
- **Heavy equipment** refers to all equipment used to construct and maintain infrastructure such as roadways, utilities, retention ponds and parks. The equipment associated with this area includes graders, dozers, packers, pavers, sweepers, loaders, rollers and loader-backhoes.
- **Turf and light industrial equipment** refers to landscape and golf course maintenance equipment such as mowers, turf trucks and tractors.
- **Trailers** refer to any non-motorized van or wagon towed by a car, truck or tractor and is used to haul materials and goods or act as temporary shelter for work crews. These trailers range in capacity from 600 kg to 22,500 kg.

Fleet Size

Significant reductions have been made in the size of the fleet since 1998. This was accomplished by eliminating equipment that was surplus to needs. Further reductions are being made as new replacement equipment is acquired. The strategy involves increased standardization of fleet units to facilitate sharing of equipment between departments, and replacing units with equipment that is more properly suited to the work.

The following chart shows the fleet size reductions achieved in recent years and planned future reductions. The chart includes previously approved additions but does not include any new vehicles or equipment proposed to be added to the fleet.

Fleet Size Reductions



After 2007, the fleet size will stabilize, and any further additions or deletions will be subject to review and approval of the Fleet Utilization Review Committee. The following table illustrates the current and planned size of the major segments of the fleet. The table includes previously approved additions and some temporarily retained replaced units, but does not include any new vehicles or equipment proposed to be added to the fleet.

Projected Fleet Size by Equipment Type

Equipment Type	2005	2006	2007
Light Trucks	319	300	300
Heavy Trucks	123	120	119
Heavy Equipment	142	135	123
Turf and Light Industrial Equipment	242	242	242
Trailers	120	126	126
Fleet Total	946	923	910

Fleet Replacement and Rationalization

A comprehensive Fleet Utilization and Requirements Review was completed in 2002. The fleet was configured to meet peak demands and fleet utilization could be improved through a more appropriate fleet size. There are opportunities to further reduce the size of the fleet and supplement as required with rentals, hired equipment, contractors, or employee-supplied vehicles on a cost-effective basis. A more suitable fleet size will improve the utilization of the remaining units.

Based on the recommendations of the Fleet Review, a five-year fleet replacement and rationalization initiative began in 2003. When this initiative is completed, 385 units will have been acquired (not including approved additions) and 512 will be retired, reducing the size of the fleet by 127 units.

Fleet requirements are somewhat dynamic and a process must be in place to manage changing needs. The Fleet Utilization Review Committee meets on a regular basis to review all proposed acquisitions of additional or replacement equipment and requested retention of replaced equipment. The following controls are used to manage the fleet size:

- Departments are required to present a business case to the Fleet Utilization Review Committee when requesting additional vehicles or enhanced replacements. Approval is contingent on meeting all of the following criteria:
  - The additional vehicle/equipment is required as a result of a change in the service delivery strategy or quantity of work to be done;
  - There are no other suitable fleet units that could be re-deployed, and
  - Ownership is the best option to obtain the equipment.
- Fleet replacements – Approval for replacement of fleet vehicles and equipment is contingent on satisfactory utilization of the equipment being replaced. Where the utilization of the existing equipment does not meet the minimum utilization criteria, the replacement must be supported by a business case.

An analysis of economic lifecycles of fleet vehicles and equipment was completed in 2004. Equipment replacement analysis involves determining the optimum economic life or "replacement cycle" for each type of equipment. This identifies the period in the life of the equipment where the equivalent annual cost is lowest. It is also recognized that individual vehicles can have unique lifecycles, depending on usage and operating environments. The methodology for developing replacement criteria includes consideration of the following factors:

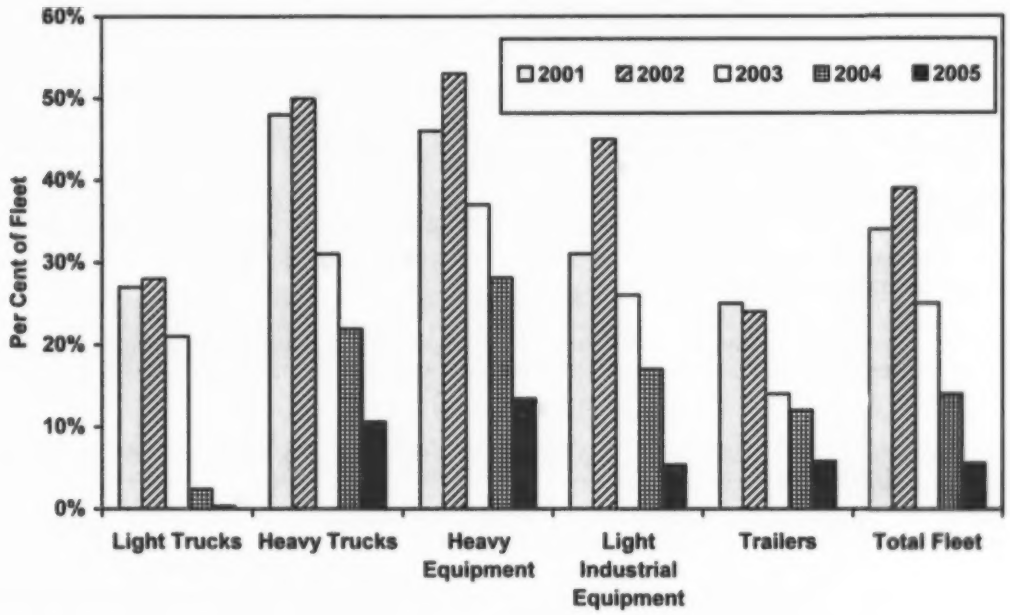
- **Service Life:** The length of time that the unit is capable of delivering its designed level of service.

- **Technological Life:** The decline in productivity of a unit compared with a new design.
- **Economical Life:** The length of time the average annual cost of a unit declines or remains at a minimum.
- **Downtime Sensitivity:** The effect on program delivery when the equipment is not available for use.

Operating departments are able to provide services most effectively and efficiently when provided with reliable equipment that is properly matched to the work performed. An example is the replacement of the asphalt cold planer. The new unit has a better balance between horsepower, production and manoeuvrability, is sized for urban applications, is capable of high-production work, does not damage the planed surface, and produces a much smoother surface for repaving. The planer crew reports that "the new machine is two to three times more productive" than the old unit.

At the end of 2002, almost 40% of fleet units were overdue for replacement. The following chart shows the progress made to reduce this backlog. At the end of 2005, 6% of the equipment was overdue for replacement. At the end of 2005, only the Heavy Equipment and Heavy Truck categories have a backlog higher than the target of less than 10%.

Percentage of Fleet Overdue for Replacement



In 1998, the fleet included 1,189 vehicles and equipment units, and would have a replacement value today of more than $70 million. **Reductions to the size of the fleet achieved in recent years have significantly reduced the replacement value**. The total replacement value of the current vehicle and equipment fleet is estimated to be $62.8 million. A major factor affecting the replacement value of the fleet is the fluctuating value of the Canadian dollar, as the majority of the heavy fleet is manufactured in the United States.

Fleet Age

The success of achieving and maintaining a reduced fleet size is largely dependent on the ability to properly manage the age of the fleet. In the past, as the fleet aged and equipment reliability declined, some replaced vehicles were retained as spares to provide the required availability. The result was an old, large and under utilized fleet that was costly to maintain. An appropriate average fleet age requires fewer spare units, and consequently a smaller, better utilized and cost efficient fleet. The next table shows the current and target age of the fleet.

Fleet Vehicle Age (Years)

Equipment Type	Current	Target
Light Trucks	8.3	7.5-8.5
Heavy Trucks	8.5	7.0-8.5
Heavy Equipment	12.5	8.5-10.0
Turf and Light Industrial Equipment	7.3	6.0-7.0
Trailers	11.9	10-0-12.0

The immediate challenge is to reduce the age of the fleet in a planned and fiscally responsible manner. Replacements are prioritized based on highest cost benefit and urgent operating department needs. Each year, a replacement plan is produced that identifies replacements for the following year and projections for the next five and twenty years. This long-term planning is required to stabilize the capital requirements from year to year.

The 2006 – 2010 General Capital Program is consistent with the fleet replacement initiative and achieves the fleet size, configuration and age reduction goals recommended by the Fleet Review.

Corporate Services Facilities

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. City Hall:					
- General allocation for renovations and improvements	**50**	50	50	50	50
- Main floor renovations	**50**	-	-	-	-
- Replace flooring in City Hall cafeteria	-	75	-	-	-
- City Hall Parkade repair	-	-	1,200	-	-
- Fountain retrofit	-	-	30	-	-
- Elevator upgrades	-	-	-	350	360
- Replace air conditioning system - 2nd floor	-	-	-	90	-
- Safety tie offs - lower roof	-	-	-	-	25
- Cafeteria ventilation	-	-	-	-	20
- Forum repairs	-	-	-	-	120
2. Fleet Garages:					-
- General allocation for renovations and improvements	**85**	75	15	60	65
- Renovate and expand Standards Development offices and training room	-	-	-	60	-
3. Central Stores:					
- Mobile shelving	-	50	-	-	-
- Building #4 roof	-	-	-	10	-
- Cold storage door	-	-	-	10	-
4. Other Facilities and Equipment:					
- General allowance - Operational, Yard and Field Administrative Facilities	**1,945**	2,230	368	1,521	1,995
- General allocation for renovations and improvements for civic facilities	**180**	200	200	250	250
- Allocation for energy management projects in civic facilities	**50**	50	50	50	50
- New vehicle for trades	**40**	-	-	-	-
Total Expenditures	**2,400**	2,730	1,913	2,451	2,935
Capital Funding					
Current Contributions to Capital	**1,900**	2,730	1,313	2,451	2,935
Employee Provided Parking Reserve	-	-	600	-	-
Community Share 2006 Program	**500**	-	-	-	-
Total Funding	**2,400**	2,730	1,913	2,451	2,935

The Corporate Services Department is responsible for the space planning, construction project management, physical plant maintenance and the operation of the majority of City-owned facilities. Capital requirements for facilities associated with the delivery of programs are reflected in the capital budgets of the departments responsible for the program delivery. This includes Community Services, Engineering and Works, Transit and Fire. Facilities used by the Board of Police Commissioners are addressed in their capital program. The facilities funded through this section of the General Capital Program include:

- City Hall – City Hall was opened in 1976 and includes Henry Baker Hall, and the majority of the office space used by the Civic Administration, along with a parkade. Repairs are planned for the parkade in 2008. The total cost is $1.2 million, with $600,000 funded from the Employer Provided Parking Reserve. In 2004, a consultant was engaged to undertake an investigation of the condition of the

parkade structure and develop a maintenance plan. The study determined that deterioration of the deck structure due to corrosion had increased. In order to extend the life of the parking deck, the consultant recommended the installation of a waterproof membrane to the top two deck surfaces. Work to correct drainage issues and repair of the stair wells was started in 2005 and will be completed in 2006. Replacing the snow removal system in the ramps is included in the 2008 project.

- Operational facilities used by Corporate Services, including the garages used by the Fleet Services Division and facilities used by the Facilities and Energy Management Division.

- Facilities owned by the City and used by the Administration and/or leased to other entities. This would include the Old No. 1 Fire Hall and the former General Motors plant.

The 2006 – 2010 General Capital Program includes $8.0 million for operational, yard and field administrative facilities. Many existing facilities are in very poor condition and do not meet current requirements. The first step in the process of determining the requirements was to develop an inventory and analysis of existing yards and facilities, including the condition and shortcomings of the facilities. This phase of the project was completed in 2005. The study identified solutions for the current yard facility issues and developed preliminary cost estimates for the plan that have been used to develop the 2006 – 2010 capital program. Funding will be used to construct new or upgrade existing yard facilities, and demolish facilities no longer suitable for occupancy. The areas of greatest concerns are the Parks Administration Building and related yard facilities, the former GM Building, and the Engineering and Works Yard facilities. Design work was started in 2005 for the retrofit of Traffic Building C in the Engineering and Works Yard. Work will begin on new and retrofitted facilities in the Parks Yard in 2006. **Funding of $500,000 was provided from the Community Share 2006 Program.**

The capital program also includes a general allocation for capital repairs to civic facilities. The allocation is intended for minor facility conservation or facility upgrade projects. The projects could include roof repairs, HVAC replacements or repairs, accessibility improvements, replacement of kitchen equipment, parking lot improvements, or other facility expenditures.

Land Development

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Ross Industrial Land Development:					
- Repair curbs and gutters and complete the asphalt on Roulston Street/Bay and MacRae Drive/Bay	360	-	-	-	-
2. Eastgate Land Development:					
- Completion of Dakota Drive and Neville Drive	70	-	-	-	-
Total Expenditures	430	-	-	-	-
Capital Funding					
General Fund Reserve	430	-	-	-	-

The City is the developer of Ross Industrial Park and more recently the Eastgate subdivision. As developer, the City is responsible for the developer's share of infrastructure costs. The funding for Ross Industrial in 2006 is to repair existing curbs and gutters and complete the last lift of asphalt on Roulston Street, Roulston Bay, MacRae Drive and MacRae Bay. The development of the roads in Eastgate has a total cost of $240,000. There is funding of $170,000 currently available, leaving a further requirement of $70,000.

Information Technology

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Print and Mail Services:					
- Replace Postage Equipment	**40**	-	-	-	-
- Replace Printing Equipment	**195**	50	-	-	-
2. Information Technology:					
- General Allocation	**1,300**	1,300	1,300	1,300	1,300
Total Expenditures	**1,535**	1,350	1,300	1,300	1,300
Capital Funding					
Current Contributions to Capital	**1,300**	1,300	1,300	1,300	1,300
Technology Reserve	**235**	50	-	-	-
Total Funding	**1,535**	1,350	1,300	1,300	1,300

Print and Mail Services

Funding of $40,000 is provided in 2006 for the replacement of the postage meter. Canada Post requires corporations to have postage meters that comply with new requirements. The existing postage meter does not meet the Canada Post requirements. Funding of $195,000 in 2006 is for the replacement of the existing digital print equipment used by Print Services. The existing equipment has reached the end of its lifecycle. The new equipment is more cost effective due to lower service costs. The new equipment is also more effective as it is faster and includes a web submission tool that allows customers who previously emailed their requests, delivered them or sent them through inter-office mail, to do so on-line. Funding of $50,000 is provided in 2007 to replace the existing press equipment with a 14x20 two colour analog press. Annually, Print Services handles 1,400 print requests on the press equipment, producing two million impressions. Upgrading the existing press will enable the work to be produced with better quality and in a more timely and efficient manner.

Funding for the equipment is from the Technology Reserve. The reserve is funded from the net revenue generated through the Print Services and Office Services (computer leasing) programs.

Information Technology – General Allocation

The role of technology is to support the delivery of civic services. Service delivery includes water and sewer services, waste collection and disposal, traffic control, transit, road and infrastructure maintenance, fire control, recreation facilities and programs, land-use planning, permits, building inspections, property assessment and taxation, regulatory functions and many others.

The City uses technology to enhance the quality and delivery of services for the benefit of citizens. The goal is to fully integrate all aspects of the City's business, including service delivery, workflow, staffing, front-line and support activities. eGovernment initiatives help make services more accessible and responsive to the needs of citizens. Technical initiatives such as the wireless expansion of the municipal area network allow employees to access information and be more responsive to work requirements. Both types of initiatives support the efficiency, effectiveness, reliability and affordability of services.

The Information Technology capital program is based on the needs of the corporation. Project proposals are prepared by the business area and prioritized based on criteria such as business area readiness, fit with the Information Systems Guiding Principles, the opportunity to enhance customer service and financial considerations. The allocation of funding and resources is targeted to the highest-ranking projects based on these criteria. The portfolio of projects and priority rating are updated regularly based on internal review and external factors such as legislative changes. Information Technology capital

projects often span more than one fiscal year. Circumstances such as a project being delayed, corporate priorities changing or refocusing on essential services can impact the specific timing of expenditures and project completions.

The principles guiding the choices for determining the initiatives that will most effectively move the City forward fall into three broad categories – foundational, client-focused and positioning for the future.

Foundational Principles

- Reliable, Flexible Infrastructure – Ensuring proper test, development and production environments, as well as redundant storage and data communication methods, and just-in-time capacity planning for processing, storage and desktops. The City has a Technology Architecture Plan and a Municipal Area Network Strategy that are being followed.

- Standardization – Ensuring effective use of limited resources, including the funding for training. This principle affects the technical infrastructure such as desktops and servers, development tools, office productivity suites, databases and project management methodology.

Client-Focused Principles

- Think "Corporate" First – When considering a potential new initiative, questions considered include:

  - Does this initiative impact multiple departments/divisions?
  - Is there an existing application within the City that will address 80% of the requirement?
  - Is the data already being captured somewhere else?
  - Could another department make use of the same system's functionality and/or data?

- Business Area Involvement – Strong business area sponsorship and ownership of an application is essential and results in a much better chance of success, initially and going forward. Involvement of the affected business area is key to:

  - Setting direction for areas like GIS and eGovernment, along with desktop development.
  - Project sponsorship, including initiating and prioritizing project proposals, and participating in the project teams that select and implement the solution.
  - Providing application-specific training to internal users; querying and reporting on information using corporate reporting tools; and using corporate desktop development tools to create solutions for area-specific issues.
  - Ownership, including application administration and keeping data current.

"Positioning for the Future" Principles

- "Buy versus Build" Philosophy – Corporate applications developed internally are more costly and time-consuming to maintain, support and enhance over the long-term. With the municipal software environment maturing, quality applications are now available from external vendors. When investigating the selection and implementation of a new corporate system, the order of preference is:

  - Integrated Suite - Less duplication of data; better training.
  - Best of Breed - Does it fit into the City's standard infrastructure? What best practices could be adopted? Which other local governments are using it?
  - Build Internally – Only if no cost-effective third party application is available; the client area is dynamic; or policies, procedures and legislation change rapidly.

- Utilize the Web

  - Providing clients with access to information, functionality and systems for customer service, inquiries, facility bookings, class registrations, city maps, bus routes, and e-commerce functionality.
  - Allowing all clients easy access to information such as Council agendas, reports and bylaws along with customer information such as assessments, tax or other information.
  - Ensuring data security and information privacy is in place.

The Information Technology capital program assists in advancing the City's various initiatives, including funding in the following areas:

- Corporate or departmental/divisional systems used by those internal to the organization, along with external clients or customers, to obtain information or assist in the delivery of services.

- Technical infrastructure that provides the foundation of hardware, software and communications for the corporate or departmental systems. It also provides the means to connect clients and staff to the systems and data they routinely use.

Initiatives proposed to be funded from the 2006 allocation are outlined in the following points. Individual projects may extend beyond 2006 affecting the timing of expenditures.

- **Departmental/Divisional Initiatives – $1,285,000**

  - **Assessment and Tax System Replacement – $250,000**. The City is in the final stages of implementing an integrated Tax and Assessment system called TAS. Further customizations will be required in 2006 to prepare for the income approach of assessment. The tax and assessment web application was redeveloped and, in 2006 will be enhanced to allow the generation of tax certificates online for authorized users.

  - **Online Program Registration and Facility Booking – $90,000**. This phase of the initiative positions the City to provide functionality over the Web. The Internet Program Registration and Facility Schedule modules will be implemented. Security concerns had the City delay until a new version of Class is released, which will happen in 2006.

  - **Human Resources and Payroll System – $50,000**. Human Resources is implementing VIP's eRecruit module, enabling external candidates to apply for competitions online. This database of candidates will allow the City to link position requirements to skills in the database, facilitating matches for competition consideration. These funds are to rectify bugs and add small enhancements required as the module is used by the public.

  - **Maintenance Management – $450,000**. Finalize implementation of the SPL software package for use by Engineering and Works, Community Services and Corporate Services. Functionality includes asset maintenance management, work order management, mobile workforce capabilities, and preventative maintenance. The application will integrate and/or interface with GIS, the call tracking software used by City Central, financial and payroll systems, and departmental applications. The implementation will be completed in April, 2006. A Facility Forecasting system will subsequently be explored.

  - **Bylaw Enforcement Software – $75,000.** (Planned for 2005 but other corporate priorities have moved it to 2006). Purchase and implement a system to manage the tracking of a complaint or incident from the initial call, through inspection, to its eventual closure (pending compliance method). The application should provide the ability for the inspectors to work from the field rather than having to be dispatched from City Hall, as well as GIS integration and interfacing and/or integrating with the call tracking software used by City Central.

- **Parking Ticket System – $200,000.** Modifications are necessary for the existing system to handle changes to legislation. Also initiating the use of handheld devices to issue parking tickets which will eliminate the hand written paper tickets and the need for data entry.

- **Planning and Building Permit Software – $150,000**. The chosen solution will make use of spatial data, workflow methodologies and best business practices to streamline and integrate the processes between the Urban Planning and Building Permit Divisions. The application will enable the sharing of data between the two divisions, build on the corporate data repository, and improve the review process of the required documents between these divisions and other departments. The solution should position the City to offer permits over the web in the future. Tentative implementation is January 1, 2007.

- **Transit Review Initiatives – $20,000**. A web-based Schedule Lookup and Trip Planner will be implemented in an effort to improve customer service levels by providing alternate methods to transit schedule information.

- **Corporate Initiatives – $453,000**

  - **eGovernment Initiatives - $225,000**. Integration of the City's web presence to ensure information is collectively housed and secure in addition to timely, consistent, accurate, and informative. Content, usability, and navigation will drive the focus for initiatives. This will include a web rebuild of the City's web presence, a content management tool, search engine, and related security technology.

  - **Records Management – $110,000**. Complete implementation of Records Management. Investigate the Electronic Document Management functionality of our existing Records Management solution. If suitable, the system will be extended corporately.

  - **Corporate Training – $35,000.** e-Learning modules and Authorware to develop customized City courses.

  - **Data Management and Reporting – $33,000.** Corporate reporting tools and Business Intelligence Tools that access the information stored in the warehouse.

  - **Enterprise GIS – $50,000.** To broaden the presence and corporate-wide accessibility to spatial data and related applications. Implement ArcGIS server software for mobile display of infrastructure data. This will provide the back office foundation for GIS related field data gathering and mobile workforce capabilities.

- **Supporting Infrastructure – $804,000**

  - **Server Infrastructure – $134,000.** Continue to consolidate the City's server farm to maximize server utilization, reduce technical administration and replace aging servers. Expand the storage environment to take advantage of disk-to-disk backup technology and accommodate data growth.

  - **Network Infrastructure - $130,000.** Upgrade fiber cable and switches to ensure redundancy along the entire fiber loop and start preparations for VOIP, video and virtual LAN technology.

  - **Network/Security Software - $60,000.** Continue to license virtualization software to support server consolidation. Investigate intrusion detection and prevention devices to augment the City's existing security posture.

  - **Municipal Area Network - $300,000.** First phase of wireless network expansion which will save leased line costs and create the infrastructure to support mobile data access. Includes AVL pilots in Transit and Engineering and Works.

- **Desktop Software/Support - $60,000.** Initial investigation into the appropriate desktop operating system upgrade step.

- **Development Tools/Licenses - $120,000**. Increase Oracle database licenses for compliance. Need is due to increased access through web-based applications.

The following table provides information on the projected capital funding and capital expenditures for Information Systems, taking into account the projected authorized but unspent capital funds as of the end of 2005.

Information Technology Capital Projections for General Allocation Funding

Capital Project Descriptions	2005	2006	2007	2008	2009	2010
Departmental Applications						
Financial Information Systems	10	-	95	-	200	-
Assessment and Tax Systems	623	250	130	335	75	120
Program Registration/Scheduling	-	90	-	-	-	-
Point of Sale Project	-	-	100	10	-	-
Payroll and Human Resources	110	50	30	40	36	180
Transit Review Initiatives	-	20	35	-	40	-
Maintenance Management	760	450	60	30	75	50
Bylaw Enforcement	-	75	-	45	-	-
Fire FDM Implementation	10	-	20	45	35	-
Parking Ticket System	50	200	60	-	-	40
Planning/Building Permit Integration	150	150	50	30	16	-
Subtotal	**1,713**	**1,285**	**580**	**535**	**477**	**390**
Corporate Applications						
Corporate Customer Service (Call Centre)	-	-	80	-	50	300
Records Management	30	110	70	75	15	-
Corporate Training	5	35	25	30	10	15
Data Management & Reporting	22	33	40	25	65	45
Enterprise GIS	5	50	60	40	50	60
eGovernment Initiatives	5	225	130	120	135	110
Subtotal	**67**	**453**	**405**	**290**	**325**	**530**
Supporting Infrastructure						
Server Infrastructure	118	134	120	140	125	105
Network Infrastructure	72	130	110	65	160	75
Network/Security Software	70	60	85	75	40	50
Municipal Area Network	-	300	200	120	53	75
Desktop Software and Support	32	60	30	25	50	25
Development Tools and Licenses	-	120	60	50	70	50
Subtotal	**292**	**804**	**605**	**475**	**498**	**380**
Total Allocations	**2,072**	**2,542**	**1,590**	**1,300**	**1,300**	**1,300**
Capital Funding - Start of Year	1,724	1,532	290	-	-	-
Proposed Capital Allocation	1,880	1,300	1,300	1,300	1,300	1,300
Projected Allocations for the Year	(2,072)	(2,542)	(1,590)	(1,300)	(1,300)	(1,300)
Capital Funding - End of the Year	1,532	290	-	-	-	-

Notes:

1. *The amounts shown in 2005 are the actual and/or planned expenditures for the year. If there were amounts unexpended at year-end, the funds would be expended on the planned project in subsequent years.*

2. *The timing and dollar value of projects is subject to change. Capital funding will be reviewed on an annual basis to ensure the funding is available in a given year. If necessary, projects would be deferred to ensure a funding shortfall did not occur.*

Transit Department

Capital Program Summary

	2006	2007	2008	2009	2010	Five Year Total
Capital Expenditures ($000's)						
Transit Fleet:						
Transit Buses and Vehicles	**4,120**	4,150	1,525	1,525	1,525	12,845
Paratransit Buses	**430**	430	430	430	430	2,150
Facilities and Equipment	**250**	250	250	300	300	1,350
Total Expenditures	**4,800**	4,830	2,205	2,255	2,255	16,345
Capital Funding ($000's)						
Current Contributions to Capital	-	-	905	955	955	2,815
Transit Equipment Reserve	-	30	-	-	-	30
Provincial Paratransit Capital Grant	-	-	300	300	300	900
Transit Grant	**4,800**	4,800	-	-	-	9,600
Gas Tax Grants	-	-	1,000	1,000	1,000	3,000
Total Funding	**4,800**	4,830	2,205	2,255	2,255	16,345

Transit Buses and Vehicles

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Purchase new transit buses - 9/9/3/3/3 per year	**3,800**	3,800	1,200	1,200	1,200
2. Refurbish transit buses - 4 per year	**320**	320	325	325	325
3. Replace Transit Supervisor vehicle	-	30	-	-	-
Total Expenditures	**4,120**	4,150	1,525	1,525	1,525
Capital Funding					
Current Contributions to Capital	-	-	525	525	525
Transit Grant	**4,120**	4,120	-	-	-
Gas Tax Grants	-	-	1,000	1,000	1,000
Transit Equipment Reserve	-	30	-	-	-
Total Funding	**4,120**	4,150	1,525	1,525	1,525

The Public Transit fleet consists of 69 high floor and 24 low floor buses for a total of 93 buses. The peak scheduled winter requirement for buses is 77 buses in the morning and 73 in the afternoon. In the extreme winter months, depending on the weather, there may be a requirement for another six buses. Typically 10 to 12 buses are out of service on a daily basis for repairs and maintenance. Details on the buses are as follows:

- Thirty-four high floor transit buses have not been refurbished. These buses were purchased between 1987 and 1992 and have an expected life of about 15 years.

- Thirty-five high floor transit buses have been refurbished. These buses were purchased between 1977 and 1987. The refurbishing program is necessary to meet Highway Traffic Board requirements and reduce the requirement to purchase new buses. Refurbishment results in an estimated additional ten years of service for each bus.

- Twenty-four low floor buses (including one 1999, 30 foot small low floor bus purchased in 2003) purchased between 1997 and 2005 have an expected life of about 15 years. The low floor buses provide easy access for passengers that experience some degree of disability. Low floor buses will relieve some of the demand on the Paratransit System.

- Five small buses were purchased in 1999 with an expected life of about five years. The use of small buses was part of a pilot project to determine the suitability of the smaller buses. In 2004 it was determined that three of these buses could not be repaired at a reasonable cost and were removed from service. Prior to the disposal of two buses, parts were salvaged to extend the life of the two buses that remain in service. The third small bus was a total loss due to a fire. In 2005, the last two buses were decommissioned due to their condition.

Transit Bus Fleet

Year of Purchase or Refurbishment	Original Large Buses	Refurbished Buses	40 Foot Low Floor Bus	30 Foot Low Floor Bus	Total Fleet
1987	2	-	-	-	2
1989	5	-	-	-	5
1990	20	-	-	-	20
1992	7	-	-	-	7
1997	-	-	7	-	7
1998	-	3	-	-	3
1999	-	5	-	1 (note)	6
2000	-	7	-	-	7
2001	-	6	2	-	8
2002	-	4	3	-	7
2003	-	3	-	-	3
2004	-	4	-	-	4
2005	-	3	11	-	14
Totals	34	35	23	1	93

Note: A 1999, 30 foot low floor bus was purchased in 2003. The other low floor buses are 40 foot buses.

City Council adopted a recommendation (Report CR03-18) that the City refurbish four buses and purchase four buses each year to ensure the long-term viability of the fleet. As a result of the new transit grant program announced by the Federal Government, the acquisition plan for new buses has been revised in the 2006 – 2010 General Capital Program. The program has been developed based on the purchase of 9 buses in each of 2006 and 2007, with three buses per year for the last three years of the program. **A multi-year tender for low floor buses was approved in 2004. The tender provides for up to five buses per year between 2005 and 2008.** Flexibility is available to extend that in 2006 and 2007 to accommodate the proposed purchase of nine per year.

In 2006, a tender for smaller low floor buses will provide a mix of small and larger low floor transit buses in the transit fleet. The smaller buses will range from 28 to 30 feet with a capacity of carrying 30 seated passengers as compared to a regular low floor bus carrying 40 seated passengers. The number of smaller low floor buses required will be determined from passenger data collected from the Automatic Passenger Counting equipment (APC). Currently one 30-foot bus is being utilized primarily on Routes 14 and 16.

The Transit Department has other vehicles, with replacement funded through the Transit Equipment Reserve. The following table provides a list of the vehicles, along with the proposed year of replacement.

Other Transit Vehicles

Year of Purchase	Year of Replacement	Details
2003	2007	Chev Impala
1999	2010	Ford 1 Ton Truck
1999	2011	Dodge 1/2 Ton Truck
1978	2012	Ford 4x4 - 1 Ton Truck
2000	2012	Fork Lift

Paratransit Buses

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Purchase new paratransit buses - 4 per year	**430**	430	430	430	430
Capital Funding					
Current Contributions to Capital	-	-	130	130	130
Transit Grant	**430**	430	-	-	-
Provincial Paratransit Capital Grant	-	-	300	300	300
Total Funding	**430**	430	430	430	430

The Paratransit fleet consists of 26 buses in 2006, with 24 buses scheduled for regular service and two buses available as spares. The expansion of the bus fleet in 2005 and corresponding reduction in the minivan fleet has greatly assisted with providing more scheduling flexibility. The City owns the lift-equipped buses with FirstBus Canada Limited contracted to maintain and operate the buses. The following table provides a summary of the bus fleet.

Paratransit Bus Fleet

Year of Purchase	Number of Paratransit Buses
2000	1
2001	6
2002	4
2003	10
2005	5
Total Buses	26

The current capital program provides for the replacement of four Paratransit buses per year. In 2005, the Province provided funding for the replacement of three Paratransit buses. The Paratransit Service uses six minivans in addition to the buses. The minivans are supplied, maintained and operated by FirstBus Canada Limited.

Lift-equipped buses are configured to accommodate both people who use wheelchairs and people who are ambulatory. The minivans can only accommodate people who are ambulatory. Both types of vehicle are used because more than half of the passengers are ambulatory and the van service is faster and more cost effective to operate. The combination of vehicles was very effective to provide service in the past. In recent years, many of the passengers considered to be ambulatory still have significant disabilities and

require the use of mobility assisted devices such as walkers. The minivans have a limited ability to store and transport these types of devices.

Facilities and Equipment

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Facilities - General Allocation	**100**	100	100	100	150
2. Transit Shelters	**50**	50	50	50	50
3. Other Equipment - General Allocation	**100**	100	100	150	100
Total Expenditures	**250**	250	250	300	300
Capital Funding					
Current Contributions to Capital	-	-	250	300	300
Transit Grant	**250**	250	-	-	-
Total Funding	**250**	250	250	300	300

Facilities used in the delivery of public transit and paratransit services are:

- Transit Operations Centre at 333 Winnipeg Street – This facility includes space for storage and servicing of the buses, along with office or other space for the majority of the Transit staff.
- Transit Garage at 1157 Albert Street – When the Operations Centre was constructed, this facility was retained for repairing and maintaining the bus fleet.
- Transit Information Centre on 11th Avenue – This facility is located in downtown Regina and is used to sell bus passes and tickets, along with providing information on transit routes and schedules. The Centre is located near one of the major transfer points for passengers.

The City owns 249 transit shelters, of which 239 are the newer style and 10 the older style (over 25 years old). In 2005, the City purchased 69 shelters from Viacom Outdoor Inc. Forty-nine of these shelters have lighted advertising signs. A shelter advertising agreement with Rawlco Radio Ltd. provides the City with a minimum of $70,000 annually.

The general allocation for other equipment has been used to fund a variety of transit capital projects, including hardware and software, information posts, shop equipment and initiatives to address Occupational Health and Safety issues.

Fire Department

Capital Program Summary

	2006	2007	2008	2009	2010	Five Year Total
Capital Expenditures ($000's)						
Fire Facilities	**50**	500	1,620	140	60	2,370
Front Line Apparatus	**-**	-	-	-	1,795	1,795
Fire Support Vehicles	**90**	-	95	-	65	250
Fire Service Vehicles	**45**	40	-	45	-	130
Communications & Dispatch Equipment	**50**	-	50	25	160	285
Other Equipment	**25**	25	145	25	130	350
Total Capital Expenditures	**260**	565	1,910	235	2,210	5,180
Capital Funding ($000's)						
Current Contributions to Capital	**260**	565	1,910	235	2,210	5,180

Fire Facilities

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Administration Building	**50**	-	-	-	-
2. Education and Training Centre	**-**	-	-	80	-
3. Fire Stations					
- General Allocation	**-**	-	120	60	60
- Replace Fire Station #4	**-**	500	1,500	-	-
Total Expenditures	**50**	500	1,620	140	60
Capital Funding					
Current Contributions to Capital	**50**	500	1,620	140	60

The following Fire Department facilities support the delivery of fire prevention and suppression services:

- Seven fire stations:
  - No. 1 Fire Station (William White Station) – 2585 – 13th Avenue.
  - No. 2 Fire Station (William Moffatt Station) – 1770 – 9th Avenue North.
  - No. 3 Fire Station (Tom Yarnton Station) – 2640 – 31st Avenue.
  - No. 4 Fire Station (Percy Wilson Station) – 1175 Pasqua Street.
  - No. 5 Fire Station (Harold Button Station) – 2700 East Arens Road.
  - No. 6 Fire Station (Omar Dixon Station) – 303 Rink Avenue.
  - No. 7 Fire Station (Louis Yanko Station) – 123 Victoria Avenue.
- The Fire Administration Building (E. C. Bun Allin Building) located at 1205 Ross Avenue.
- The Education and Training Centre located adjacent to the Fire Administration Building at 1201 Ross Avenue.

In 2006 repairs and renovations to the Administration Building will be undertaken. In 2007/2008, $2,000,000 is included to replace Fire Station #4. The station requires major repairs. Replacement of the fire station is more cost effective than undertaking major renovations and repairs. Other projects in the capital program include interior upgrades to various fire stations and upgrades to the mechanical shop in the Education and Training Centre.

Front Line Apparatus

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Pumper Rescue Unit	-	-	-	-	565
2. 100' Rescue/Ladder Unit	-	-	-	-	1,230
Total Expenditures	-	-	-	-	1,795
Capital Funding					
Current Contributions to Capital	-	-	-	-	1,795

The new pumper/rescue unit replaces the pumper purchased in 1989. The 100-foot rescue/ladder unit has the combined capabilities of a 100-foot aerial ladder platform and a 2,000 gallon per minute pump. The unit has two articulating booms with a crew platform that swivels up to ninety degrees. Front-line Apparatus in the Fire Department fleet includes 18 front-line apparatus vehicles, including 13 in-service vehicles and five spare vehicles. These vehicles include:

- Seven pumpers and three pumper/rescues in-service, along with four spare pumpers. The average age of the pumpers is 15 years.
- One ladder truck in-service along with one spare ladder unit.
- One rescue unit in-service.
- One platform unit in-service.

The Woods Gordon Study guideline for vehicle retention is 15 years for a pumper truck and 20 years for an aerial (ladder) truck. The replacement schedule for front-line apparatus is in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Type of Apparatus
101	1968	—	Mack Custom	Spare Pumper
113	1979	—	Superior Emergency – IHC	Spare Pumper
108	1984	—	Pierre Thibault – IHC	Spare Pumper
114	1985	—	Superior Emergency– IHC	Spare Pumper
110	1976	On order - 2005	Superior Hendrickson	Pumper
111	1976	On order - 2005	Superior Hendrickson	Pumper
205	1979	2010	Pierre Thibault	Spare Ladder
104	1989	2010	Superior Pierce Lance	Pumper
106	1992	2011	Superior Pierce Lance	Pumper
105	1994	2012	Superior Pierce Lance	Pumper
102	1998	2013	Superior Hurricane – E-One	Pumper/Rescue
103	2000	2015	Superior Hurricane – E-One	Pumper/Rescue
109	2000	2015	Superior Hurricane – E-One	Pumper/Rescue
302	1995	2015	Superior	Rescue
206	1986	2016	Pierre Thibault – IHC	Ladder
402	1996	2016	Superior E-One	Platform/Pumper
115	2004	2019	Superior Hurricane – E-One	Pumper
116	2004	2019	Superior Hurricane – E-One	Pumper

Fire Support Vehicles

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Command Unit	90	-	-	-	-
2. Water Rescue Zodiac	-	-	50	-	-
3. Transport/Command Car	-	-	45	-	-
4. Training Unit	-	-	-	-	65
Total Expenditures	90	-	95	-	65
Capital Funding					
Current Contributions to Capital	90	-	95	-	65

Units in the capital program are generally replacement units with the exception of the Water Rescue Zodiac. The Water Rescue Zodiac is a jet propulsion unit. There are 17 support vehicles in the Fire Department fleet including several vans, trucks and trailers, equipped for special purposes such as water rescue, investigation or public education. The replacement schedule for support vehicles is detailed in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Other Details
502	1987	Not Replaced	Fire Safe House	Trailer – 8' x 24'
505	1955	Not Replaced	GMC	Tri-Command Bus
506	1996	Not Replaced	Ford Cube Van	Public Education
501	1987	Not Replaced	Decon/Hazmat – 20' x 8'	Spare Trailer
3	1991	On order - 2005	Ford Cube Van	Public Information – Chassis
2	1995	2006	Chevrolet – One-Ton Modular	Command Unit – Chassis
10	1988	2008	Plymouth V6 M-Voyager	Transport/Command Car
507	2000	2010	One-Ton Truck	Training
503	1962	2011	GMC	Rehab Bus
509	1987	2012	Superior Emergency – IHC	Tech Rescue/Mobile Cascade
15	2004	2013	Ford Expedition	Chief's Command Unit
511	2005	2015	Ford F350	Wildland Firefighting
512	2006	2016	Ford F350	Wildland Firefighting
23	2005	2017	GMC	Investigation Unit
508	1998	2018	Ford E Super Duty	Water Rescue Van
504	2002	2022	Fort Garry	Water Tanker/Pumper
510	2003	2023	Decon/Hazmat – 35' x 8'	Trailer

Fire Service Vehicles

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. 3/4 Ton Truck - Fuel Delivery and Snow Removal	45	-	-	-	-
2. Administration Van	-	40	-	-	-
3. 3/4 Ton-Mechanic	-	-	-	45	-
Total Expenditures	45	40	-	45	-
Capital Funding					
Current Contributions to Capital	45	40	-	45	-

All units in the capital program are replacement units. The service truck is used to move equipment from station to station. There are 9 Service Vehicles in the Fire Department including vans and trucks. The replacement schedule for service vehicles is detailed in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Other Details
14	1986	Not Replaced	GMC Sierra Open Box (4WD)	Spare Towing
20	1990	Not Replaced	Dodge Van	Training
17	2001	2005	Chevrolet ½ Ton Cargo van	Service Truck
7	1995	2006	GMC Open Box (4WD) ¾ Ton	Fuel Delivery/Snow Removal
1	1994	2007	Plymouth Van	Administration Unit
19	1992	2009	Chevrolet Open Box ¾ Ton	Mechanics
18	2000	2015	Ford F150 – Regular Cab	Building Maintenance
22	1999	2019	Ford E450 Super Duty	Troop Transport
21	2005	2020	GMC Cargo Van	Electrician

Communications and Dispatch Equipment

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Resource Deployment Software	50	-	-	-	-
2. Radio Replacement	-	-	25	25	25
3. Computer Aided Call Handling System	-	-	25	-	-
4. Voice Logger	-	-	-	-	65
5. Mobile Data Technology	-	-	-	-	70
Total Expenditures	50	-	50	25	160
Capital Funding					
Current Contributions to Capital	50	-	50	25	160

Additional information on the capital allocations for communications and dispatch equipment includes:

- **Resource Deployment Software** – The software will assist in analyzing factors such as risk, population, occupancy and previous emergency response data to ensure the resource allocation is achieving the most effective and efficient capacity within the city. This would also include a backfill, real-time analysis and develop recommendations for multiple alarm scenarios.

- **Radio Replacement** – This funding is to begin a replacement program of four portable radios and one mobile radio per year.

- **Computer Aided Call Handling System** – Communication centre personnel identify response requirements based on initial assessment of information received from a caller reporting an emergency incident. Computer aided call handling systems assist the calltaker in quickly determining the appropriate response code for each incident, improving response times, increasing responder safety and reducing liability risks.

- **Voice Logger** – Funding is for replacement of the voice logger system. The Fire Department has one voice-logging device that was purchased in 1998. This device records the telephone lines and all radio communications and is a legal requirement of a dispatch operation. The device has a five-year life expectancy.

- **Mobile Data Technology** – With the implementation of mobile data terminals in Front Line Fire Apparatus, additional technology is required for wireless "at speed" data transmission. The results of

the municipal area network strategy leveraging wireless technology will determine the specifics of the technology required to complement the corporate plan.

Other Equipment

Capital Summary ($000's)	2006	2007	2008	2009	2010
Capital Expenditures					
1. Traffic Signal Pre-emption	25	25	-	-	-
2. Extrication Tools (Jaws of Life)	-	-	55	-	55
3. Thermal Imaging Cameras	-	-	65	-	-
4. Wellness/Fitness Equipment	-	-	25	25	25
5. Joint Emergency Preparedness Program	-	-	-	-	50
Total Expenditures	25	25	145	25	130
Capital Funding					
Current Contributions to Capital	25	25	145	25	130

Additional information on the capital allocation for other equipment includes:

- **Traffic Signal Pre-emption** – This is an ongoing project. It is projected that in 2006 and 2007 there will be an additional 10 intersections ready for pre-emption. This system will allow fire apparatus responding to an incident to control the flow of traffic, thereby improving the response time.

- **Extrication Tools** – The Fire Department has five sets of extrication tools (Jaws of Life). The Jaws of Life are placed on the rescue vehicles located at No. 2, No. 3, No. 6 and No. 7 Fire Stations. There is one spare set of extrication tools used for training and as a backup. This funding is for the replacement of the ageing equipment. The department responds to approximately 200 Jaws of Life calls each year. Saskatchewan Government Insurance is charged $550 each time a Jaws of Life is used in an accident.

- **Thermal Imaging Cameras** – The department currently has seven thermal imaging cameras, one at each fire station. This equipment has proven invaluable in locating heat sources in extreme smoke conditions. The Rotary Clubs of Regina purchased four cameras in partnership with other local businesses at a cost of $25,000 each. These cameras have an eight-year life expectancy. Funding is for the replacement of four cameras.

- **Wellness/Fitness Equipment** – This equipment will be used to promote fitness and well-being among existing staff. The equipment will also be utilized for testing new recruits as part of the hiring process.

- **Joint Emergency Preparedness Program** – In 2009, a joint emergency preparedness program proposal will be submitted to the Federal Government to introduce training and equipment to enhance the department's structural response capabilities. The City's share of the cost is $50,000. This will enhance the Fire Department's capability to respond to and mitigate an emergency involving a structural collapse. The funds will be used to train the trainer as well as purchase equipment.

Police Department

Capital Program Summary

	2006	2007	2008	2009	2010	Five Year Total
Capital Expenditures ($000's)						
Facilities	**147**	453	407	291	528	1,826
Communications	**-**	32	-	-	-	32
Information Technology	**1,335**	306	371	397	205	2,614
Emergency Services Equipment	**22**	169	101	93	64	449
Total Expenditures	**1,504**	960	879	781	797	4,921
Capital Funding ($000's)					-	
Current Contributions to Capital	**1,504**	960	879	781	797	4,921

The information in this summary is based on the 2006 – 2010 Capital Budget submission of the Board of Police Commissioners. Additional information on the capital expenditures is provided in the budget of the Board of Police Commissioners submitted to City Council on February 27, 2006 (Report CR06-3).

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